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Editorial AS WE SEE IT

The widespread, indeed the all but unanimous optimism now prevailing about the business outlook, and the actual improvement that has already taken place are in striking contrast to the pessimism in official circles early this year. The former gloom was in substantial part doubtless politically inspired, as some part of the official cheerfulness of the day now may be. It is interesting and in a way amusing, nonetheless, to place the current optimism alongside of the flow of gloom at about the time that the present Administration took office and for a good while thereafter—and to recall that only a few months have elapsed since the end of last January. There are, doubtless, some public officials and advisers who have again been reminded of the hazards inherent in economic forecasting, and, for that matter in economic analysis which implies forecasting the future. But the public memory is shortlived, and the politicians are not likely to worry very much about the matter.

But there is much more in this situation than mere partisan politics and it would be unfortunate if the people at large do not draw some of the plain inferences from what has taken place. Let us first refresh our memory about what was being said in official circles less than four months ago. That can, perhaps, best be done by a brief reference to the President's State of the Union Message. Said President Kennedy on Jan. 30, 1961:

"The present state of the economy is disturbing. We take office in the wake of seven months of recession, 3½ years of slack, seven years of diminished economic growth, and nine years of falling farm income.

"Business bankruptcies have reached their highest level since the Great Depression. Since 1951 farm income has been squeezed down by 25%. Save for a brief period in 1958, insured unemployment is at the highest peak in history. Of some 5.5 million Americans without jobs, more than one million have been searching for work for more than four months. And during each month some 150,000 workers are (Continued on page 28)

There's No Stagnation Philosophy In Our Policies for Faster Growth

By Walter W. Heller,* *Chairman of the President's Council of Economic Advisers*

President's economist rebuts stagnation label recently pinned on him by his predecessor, who served under Eisenhower (cf. Dr. Arthur F. Burns' "New Stagnation Theory and Our Current Problems," this "Chronicle," April 27) in heralding this recession's end, in predicting $25 billion or more GNP gain by year's end, and in maintaining we are $50 billion shy of our output potential. Dr. Heller reviews the Administration's methods and goals; denies welfare programs can be divorced from economic growth; and insists growth-acceleration calls for a high investment, research and education economy.

We are now under brightening economic skies. The recession has been halted, and the upturn is under way. If any doubts remained, they were removed by the welcome advance of 2½% in the industrial production index from March to April. Under the impact of President Kennedy's affirmative leadership and his program of Executive and Congressional actions to restore economic momentum, the regenerative forces in the economy are being restored and strengthened. We can look forward to a rise of $25 billion or more in the Nation's output of goods and services from the first to the fourth quarters of this year.

Walter W. Heller

Yet, as we successfully peel off this first layer of our economic problem marked "recession," we find underneath it the more persistent and resistant layers marked "slack" and "slow growth." As background for a probe of the economic growth problem, let's look at the slack. In the past few years, a large gap has opened up between the actual and potential output of the U. S. economy. Our Gross National Product (GNP) is running nearly $50 billion short of the amount that could readily be produced with existing supplies of manpower, materials, and machines. That sum—equal to more than $500 per family in this country—is a fair measure of the great promise of full economic recovery.

It sets a major target for economic policy today. It calls for an expansion of demand, a strengthening of markets for goods and services. Much of the President's domestic program addresses itself to these needs: temporary unemployment compensation; aid to dependent children of the unemployed; early payment of tax refunds and National Service Life Insurance dividends and early release of highway funds; speed-up of both civilian and defense procurement and construction; reduction of interest costs on mortgages and small business loans; and financial aid to distressed areas. Other programs will have important by-product effects in bolstering demand: for example, improvement of the social security system, Federal aid for schools, and the housing program. Additional measures are under consideration.

But having reviewed quickly the short-term economic outlook and programs that will speed recovery through *expansion of demand*, let me turn to the tougher problem of long-term economic growth, of *expansion of supply*. The essence of this problem is to increase the productivity of our labor force, to expand the productive capacity of our economy for the long pull.

This is a task that need neither wait upon, nor interfere with, the restoration of full employment. Indeed, broadening the base of our economy through added investment, research, and education can assist and prolong recovery. And taking up the slack in our economy would, in turn, provide additional incentives and additional funds for growth-creating expansion of investment. This economically benign interaction comes into (Continued on page 26)

Hawaii's Economic Outlook Featured In This Issue

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

JEROME G. DAVIS

Dealers' Service Research Analyst, H. Hentz & Co., New York City
Members: New York Stock Exchange and Other Leading Stock and Commodity Exchanges

Maxson Electronics Corporation

In Maxson, we have an advanced electronics company which has revamped and greatly strengthened its basic position. Right here, evidence is accumulating that the pay-off will be an unprecedented volume of production contracts, and a rapidly rising profit curve for several years.

Jerome G. Davis

What has happened? Major policy and management changes in recent years have given more meaningful direction to an outstanding research and engineering capability. What's more, the scope of operations has been widened, and new laboratories and technical personnel added. A shift in research and manufacturing emphasis to systems work has been a particularly important development. This calls for the highest technical skills in sophisticated areas of radar, missiles, anti-submarine warfare and other classified military fields. It also provides a relatively greater opportunity for growth of profits.

Maxson had formerly been purely an engineering organization. Then, shortly before the Korean episode, it decided to expand into manufacturing. Research and development, however, still constitute about half of Maxson's present business, although the percentage should diminish as this type of work phases out increasingly into "hardware" and generates further profits.

The actual size of the potential in a situation as obviously speculative as this one cannot be accurately pinpointed. But it does appear crystal-clear that it is "big," as I shall attempt to bring home more forcefully in the remainder of this discussion.

The present President only came in last July, while a new head of research was appointed this past January. In view of the greater stress now being placed on exploiting the vast field of communications, it is noteworthy that both of these men had formerly been with ITT. A recent Air Force development contract in connection with the TACAN program represented the company's first foothold in an important segment of communications where hundreds of millions of dollars have already been expended, and indications are that this beachhead will be vigorously exploited.

In another major direction, Maxson has responded to the national stress on improving air safety with a revolutionary three-dimensional radar system. Culminating years of research by Maxson, this development is indicative of the advanced engineering concepts involved in many of the company's current programs. It adds the critical third-dimension of "altitude" measurement to the conventional two-dimensional radar networks which now can measure only "distance" and "direction." Exhaustive tests now nearing completion by the FAA are indicated to have exceeded earlier expectations, and wider application of the Maxson system is now a possibility. The first contract is expected within a few weeks, probably calling for an installation at New York's busy Idlewild Airport. Additional units of this multi-million-dollar system are then expected to be incorporated into existing air control radar systems at major airports across the country, and produce upwards of $14 million of business annually for several years from this single source.

A third significant development, I feel, was the receipt in March of this year of a $1 million Navy contract to establish a second source of manufacture for the Martin-developed Bullpup air-to-surface guided missile. While the company had long been involved in missile work, this contract represents the first time Maxson has been named in prime missile producer. Moreover, although the dollar value involved is small, the contract takes on much greater significance when it is pointed out that the award largely represented only the "tooling-up" phase of a prime contract which should be followed by a sizable volume of business. An indication of the Bullpup's importance may be gleaned from the $60 million already awarded the Martin Company for its manufacture in the past two years. If only one-half this rate should be enjoyed by Maxson once it gets into active production, annual business from this one source would exceed the above $14 million figure mentioned for the expected volume from Maxson's unique 3-D radar system.

Thus Maxson has excellent built-in possibilities for obtaining a substantial and rising volume of production contracts in three diverse but vital phases of advanced electronics and engineering.

The company's earnings of $0.45 a share on somewhat over $18 million of sales in the year ended Sept. 30, 1960 were distorted by several extraordinary factors, including a 10-week strike at the company's main plant. But on about similar volume it earned $0.81 two years ago. Because of the lead time involved in this type of activity, the expected expansion of orders in coming months will come too late to help the current year's showing and $0.70 is perhaps as good a projection as can be made now. But I believe that subsequent profits will curve strongly upward, perhaps to $1.50-$2 next year, and to a much higher level two years hence.

Meanwhile, the company is expanding a profitable commercial instrumentation line of power oscillators and phasemeters, while its activities in anti-submarine warfare and other highly classified military areas also could phase out into important manufacturing contracts.

Thus, Maxson, reorganized internally and with an increasing number of major research and development contracts ready to phase out progressively into production, appears to be on the verge of an unprecedented era of progress. The stock is traded in the Over-the-Counter Market and is currently quoted at about 26.

This Week's Forum Participants and Their Selections

Maxson Electronics Corporation—Jerome G. Davis, Dealers' Service Research Analyst, H. Hentz & Co., New York City. (Page 2)

Ericsson Telephone Company—Irving Lehman Straus, Analyst, Ralph E. Samuel & Co., New York City. (Page 2)

IRVING LEHMAN STRAUS

Analyst, Ralph E. Samuel & Co., New York City
Members New York Stock Exchange

Ericsson Telephone Company

L. M. Ericsson, based in Sweden, is one of the leading concerns in the international telephone equipment field. The company operates through a world-wide network of subsidiary and associated companies—known as the Ericsson Group. Now in its 86th year, the Ericsson Group has long been recognized as one of the largest and most progressive organizations in the telecommunications field. It is one of the few manufacturers equipped to design, produce and install complete telephone systems virtually anywhere in the world. Ericsson has maintained its position in the competitive telephone equipment field by the introduction of successive technical advances.

Irving L. Straus

While Ericsson is one of the dominant companies in the **telephone equipment field**, it does not operate any telephone companies anywhere in the world, but stands to benefit in the coming years from what promises to be explosive growth in communications requirements throughout the underdeveloped parts of the world. In the coming decade a continuous stream of capital will flow into newly emerging and most rapidly growing nations. One of the first priorities in all these countries is an adequate telephone system. Ericsson, with its experience in installing telephone systems all over the world, is bound to come in for a substantial share of this new business. The company is well favored by the Swedish Government and by the Wallenbergs, the banking interests in Sweden. These connections assure it of an adequate supply of capital over the coming years so that shortage of funds will not act as a barrier to continued expansion.

The sale by IT&T of its 25% interest in the company has broadened the market for Ericsson's stock, allowing more of it to come into the hands of the public outside of Sweden. It has furthermore permitted Ericsson to compete aggressively with IT&T in the race to build new communications systems in Europe, Africa and Latin America. Finally, the quality of the Ericsson earnings (i.e. marked by extremely conservative accounting practices) qualifies the company for a price-earnings ratio comparable to its major competitors.

Ericsson's notable advances in the field of telephony include the introduction of the first desk model telephone, development (with the Swedish Telephone Administration) of modern designs for cross-bar switch equipment (based on earlier experimental work in the U. S.), commercial production of the first

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(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

Should Electric Utilities Moderate Debt Financing?

By J. Arnold Pines, Chief Financial Analyst, Division of Corporate Regulation, Securities and Exchange Commission, Washington, D. C.*

SEC financial analyst delves here into the appropriateness of substituting unsecured debentures for preferred stock in electric utility financing which, unless reversed, spells their disappearance. He reviews the legal strictures regarding a properly balanced capital structure; the finance-determining influence of our Federal corporate income tax; the healthier financial well-being of the industry resulting in part from regulatory standards; and the declining trend of preferreds and the opposite for senior debt issues since W. W. II. Mr. Pines calls attention to decisive precedent-making SEC decisions on this matter in the offing, and hopes that Federal tax considerations will "not be accorded overriding weight at the expense of a sound and simple capital structure."

While I propose to discuss a matter which, strictly speaking, is somewhat outside the realm of engineering considerations as such, I am sure that regulatory commission engineers are vitally interested in the cost of capital to utility companies.

J. Arnold Pines

It is my purpose to discuss a question which I believe will receive increasing attention in the future. The question involves the appropriateness of substituting unsecured debentures for preferred stock to finance future growth of electric utility companies.

Preliminarily, I should point out that under the Public Utility Holding Company Act of 1935, the Securities and Exchange Commission has extensive jurisdiction over electric and gas utility companies which are either subsidiary companies of registered holding companies or which are themselves registered holding and operating companies.

Section 1(b) of the Holding Company Act sets forth certain policy considerations regarding the financing of public utility holding companies and their subsidiary companies. In that section, Congress declared that "the national public interest, the interest of investors in the securities of holding companies and their subsidiary companies . . ., and the interest of consumers of electric energy and . . . gas are, or may be, adversely affected" when, among other things, ". . . control of such companies is exerted through disproportionately small investment" (Sec. 1(b) (3)) and "when in any other respect there is . . . lack of economies in the raising of capital" (Section 1(b)(5)). Section 1(c) directs that "all the provisions of this title shall be interpreted to meet the problems and eliminate the evils" enumerated in Section 1(b). Sections 6(b) and 7 of the Act contain the relevant financing provisions designed to implement the Congressional policy.

Commission's Credo

In its Tenth Annual Report to Congress for the fiscal year ended June 30, 1944, the Commission stated (p. 99):

"A balanced capital structure provides a considerable measure of insurance against bankruptcy, enables the utility to raise new money economically, and avoids the possibility of deterioration in service to consumers if there is a decline in earnings."

And in a report for the SEC Subcommittee of the House Committee on Interstate and Foreign Commerce on the Public Utility Holding Company Act of 1935, dated Oct. 15, 1951, the Commission stated, at page 27: "An adequate equity cushion to absorb the vagaries of business conditions is an important attribute of a good security."

Basic to the Holding Company Act is the principle that excessive amounts of senior securities—i.e., debt and preferred stock—and insufficient amounts of common equity may result in injury to investors and ultimately in the quality of service rendered to the consumer. While leverage, of course, properly exists in all utility capital structures, there should not be such a play of leverage that the common stock is thereby converted into a purely marginal security, with virtually all the business risks being taken by the senior security holders.

As is generally known, by Dec. 31, 1940, dividend arrears extending into hundreds of millions of dollars had accumulated on the preferred stocks of many holding and operating companies. A large number of holding companies had gone into receivership or bankruptcy, while many operating companies had escaped receivership or bankruptcy by deferring needed replacements, stinting on maintenance, and by stopping dividends on the publicly-held preferred as well as the controlling common stocks. In addition, the property accounts of a great number of operating companies contained write-ups and other amounts in excess of original cost which had to be written off at once or amortized by charges to income. Moreover, depreciation or retirement reserves were totally inadequate as a measure of the

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OBSERVATIONS...

BY A. WILFRED MAY

WHAT'S AHEAD FOR THE FORECASTER?

In this space last week (May 18 issue), we pointed out the long continuing divergence between stock market and economic-business fluctuations. We maintained as its main cause the investment community's unceasing changes in its capitalization market-wise of the economy's condition as well as of per-share earnings. As a thermometer of such changes in Investor Psychology, we offered a single line chart tracing 60 years of stock market trends in relation to industrial activity (as measured by FRB Index, etc.). We concluded the historical tracing of these "market capitalization" trends with the 150% rise from 1949-1960.

Additionally significant now, particularly to market appraisal and forecasting, is the behavior of this Index during the recent Recession and the currently discovered Recovery. Standing at 35, about the same as at the 1929 peak, last October, this ratio has since, midst the Recession, steadily advanced to 44 in May, or an additional gain of 25%.

Multiple Anticipation

Of course, the reason to which this rise is ascribed, is the functioning of the market as an *anticipator* of business recovery.

But now, *after* the market's anticipating rise, nearly all market commentary is predicting a further gain because of the now-certain business recovery. ("It is now amply apparent that the recession has ended and we are in the early stages of recovery," is one typical bullish keynote.)

Does this not manifest double-discounting of the same event—that is, before and during, recovery? And could we not now just as logically predict an immediate decline "as anticipating a later business downturn?" And, in any event, doesn't all this sophistry, including rationalization via timing "lags," once more manifest the nonsense of using the stock market to *bet* on outside short-term events?

* * *

ON NAME-DROPPING

Many of the salesmen's gimmicks in peddling securities when the going gets a bit "hard" during this time of the Soft-Sell, have been cited.

Stock Exchange President Funston recently mentioned the following examples of "questionable practices" in the Funds field:—A plant foreman's putting pressure on his assembly line workers to buy funds from him. A woman told by a door-to-door novelties salesman that a stock he handles was distributing capital gains the next day, thus rushing her into buying shares for this purpose. A postman, who was part-time selling a mutual fund trying to persuade a 63-year-old mechanic to invest his entire $5,000 savings in a 10-year, front-end-load contractual plan.

A more voluminous and well-documented enumeration of such antics is provided by the annual "ingenuity" contest for mutual fund salesmen staged by William Street Sales, Inc., national underwriter for One William Street Fund and the Scudder Fund of Canada. This year's winners will be announced later this week.

(To the self-imposed question, "What's in it for William Street Sales?" the contest manager's ground rules brochure answered: "We will benefit from our exposure to successful mutual fund sales ideas. We plan to produce new, exciting sales literature that will dovetail with these successful ideas and will further implement them.")

The resulting 150 entries in the first year's contest surely manifested the highest degree of "excitement" and "ingenuity." The office of one San Francisco salesman being near the Chinatown section, he took a three-month night-school course in that difficult language—with magnificent distribution results.

To demonstrate the diversification advantage of funds, one salesman-entrant showed how West Coast tuna fishermen were switching from pole-and-line to nets. Whenever he gets a fisherman prospect he compares a fund to the large quantity of fish that can be caught with a net against the single catch of a pole-and-line operation.

"Name Strategy"

But nowhere have we seen salesman's "ingenuity" comparable to a brilliantly strategic item dug up by one of our editorial scouts in the Court area. Moreover the Judicial ruling cited is significant in demonstrating how far *some* New York courts are willing to go to protect investors.

The decision in question, by N. Y. State Supreme Court Justice Harold Tressler was concerned with an individual's application for a change of name to enhance his achievements in securities selling.

James McManus,* a native American, born in Virginia, employed as a messenger with Western Union, but contemplating joining the great exodus to the securities selling army, became a convert to the Ethiopian Orthodox Church. Thereafter he felt that (along with a course at the New York Institute of Finance) it would also be "most advantageous to him in this endeavor," to acquire the additional selling tool of an Ethiopian name.

Hence he applied to the Courts for permission to renounce his drab American birth name to assume the chummy monicker of Mikael Habte Wold-Wossen. With the meaning, "Michael, bearer of the richness of the Sun," it was intended as a typical Ethiopian name singularly appropriate for his new sales prospects.

But alas! the brilliant strategy was demolished by one judicial swoop. Said Justice Tressler, in denying the motion: "Nowhere in the petitioner's background or forebears does there appear even a remote connection or relationship with Ethiopia or its people, except for his rather recently acquired membership in the Ethiopian Orthodox Church."

And, significantly on the "ingenuity" aspect, "The court cannot but inquire as to why the petitioner labors under the delusion that the name of Mikael Habte Wold-Wossen would better pave his path in his contemplated career in the world of finance. It seems evident to this court that far more necessary and desirable are the qualities of knowledge, skill and integrity. Combining the fine American name presently enjoyed by the petitioner with these qualities should permit his attainment of success in his chosen field no less than the name he seeks to assume."

In *this* "Contest" should not the Judge get the award—for protecting the investor?

*A pseudonym, embodying a slight change, supplied by us.

With Albert Frank Agency

Floyd Vandewart has joined Albert Frank-Guenther Law, Inc. in New York as a senior advertising copywriter, thereby returning to the national advertising and public relations agency where he first entered the copywriting field as a "cub" 17 years ago.

Mr. Vandewart joined the AF-GL copy staff in January 1944. He left the agency in April 1945 to assume a copywriting position with Newell-Emmett Co. (now Cunningham & Walsh). Subsequently, he worked as a copywriter for Cecil & Presbrey, as copy chief for Al Paul Lefton, and last as a senior copywriter for Benton & Bowles.

Hawaii—Life Begins at 50

By Dr. Ira U. Cobleigh, Enterprise Economist

An outline of the attractive investment climate in Hawaii, particularly since it became our Fiftieth State.

Everybody is talking these days about landing on the Moon. But, frankly, who wants to visit the Moon when he can visit Hawaii? The moon varies in temperature from over 200 degrees above zero to 200 below. In Honolulu, however, the highest recorded temperature is 88, the low 57, and the annual average temperature a balmy 75.2 degrees. So climate is one reason why Hawaii, with its lure of languid leisure, its leis, luaus and lagoons, ranks among the favorite visitor destinations in the world. In 1960, 296,000 people visited this idyllic island outpost, and spent over $140 million there. The number of annual visitors has jumped 600% in the last decade.

Getting there can be half the fun on any of the 14 steamship lines that call at Honolulu; or you can zoom the 2,400 oversea miles from San Francisco by jet plane in about the time it would take to motor from New York to Boston. Honolulu's airport is the 10th busiest in the world. Tourist accommodation has been a burgeoning industry. There are now about 10,000 hotel rooms on the islands, 2,200 having been added in 1960 alone. Over 7,500 more are to be built by 1965, and there has been a corresponding boom in apartment building.

"Hub of the Group"

There are six principal islands in the Hawaiian chain, comprising a total land area equal to Connecticut and Rhode Island combined. Oahu, the third largest island, is the hub of the group, containing the capital city and main seaport, Honolulu, and supporting about 80% of the total 640,000 state population. Racially the population is a broad mixture, and, in Hawaii, everyone is a member of a minority group. About half the permanent residents are of Asian ancestry, but over 90% are American citizens, and especially enthusiastic ones since Hawaii became a state in August, 1959.

The biggest industry is defense. All our Armed Forces in the Pacific, Asia and the Far East are headquartered on Oahu under CINPAC. Due to its strategic position Hawaii will remain one of our prime military outposts. Presently, military personnel there include over 50,000 in uniform, supported by over 23,000 civilian employees. This combined Armed Forces payroll amounts to about $340 million annually. Further, the construction and operation of radar stations, missile launching sites and tracking stations is pouring millions more into the State economy.

Agriculture represents Hawaii's largest non-military source of income. Industrialized agriculture predominates, with cane sugar production valued at $140 million annually. Hawaii produces about one-eighth of the U. S. sugar consumption. Next in importance are pineapple products, which total about $127 million annually. Hawaii supplies about 55% of the world's pineapple market. Diversified agriculture delivers about $43 million in annual production, including around 23 million pounds of beef.

Bustling Economy

Construction has been roaring ahead, increasing in annual volume from $97 million in 1955 to $250 million in 1960. At present most building materials are brought in from the Mainland or abroad, but local production of cement, reinforcing rods, steel pipe and galvanized steel is on the increase and should result in keeping a larger share of construction dollars in Hawaii. While about 75% of the building has been on Oahu, an increasing number of substantial projects are now under way on the outer islands as tourism and industry fan out.

In commerce the State is bustling. Business transactions in Honolulu alone amounted to $1.8 billion in 1959. At June 30, 1960 there were 4,139 domestic profit corporations in Hawaii. Banking and insurance facilities are extensive. Seven banks operate 79 branches, and there is about $2.5

billion of life insurance in force.

Hawaii ranks as one of the healthiest places in the world. Educational facilities are excellent with 167,000 students enrolled in 1960-61. The leading institution of learning is the University of Hawaii, with a main campus in Honolulu and a branch in Hilo.

Considering that Hawaii has no store of natural resources such as coal, oil or ores, the state has done a remarkable job of building a balanced economy. It has concentrated on what it can do best and, in so doing, created a standard of living and an economic growth rate that compare favorably with most Mainland States.

Attractive Equities

For the investor there are some very fine and very profitable publicly held companies to consider. **Dole Corporation** is perhaps the most famous. It is Hawaii's largest industrial enterprise. It is the largest producer of pineapple products in the world and responsible for about 40% of all Hawaiian production, marketed mainly under the Dole label. Annual sales have risen from about $60 million in 1954 to well above $90 million. Financial position has been consistently strong. Attractive assets include 105,000 acres of land including 15,000 acres within 17 miles of Honolulu. These lands are carried on the books at below $10 million, but are worth many times that. There are 2,120,000 common shares of Dole paying a $1 dividend and currently selling around 27.

Another major company is **Castle & Cooke, Inc.**, 110 years in business. It is a large land owner and in a position to benefit from the sharply rising trend of island land values. Its investments include 52% of the outstanding Dole common (and will merge with Dole about May 31, 1961), a 60% interest in Columbia River Packers, and extensive holdings in Matson Navigation, Honolulu Oil as well as in local banking and insurance companies. Castle & Cooke common is perhaps the best diversified investment in Hawaii and offers considerable attraction to long term investors. Current quotation about 47 on Honolulu Stock Exchange.

The **Bank of Hawaii** ranks among the first 95 banks in the U. S. in size of deposits. It has been eager and aggressive in expanding branches and facilities to serve the booming island economy. In each of the past five years Bank of Hawaii has been able to increase its net operating income by more than 20%. Bank of Hawaii capital stock sells currently at 139 with an indicated $2.50 dividend plus stock extras.

American Factors Ltd. is a combination production and distributing company, acting as agents for six sugar plantations. (It owns controlling interest in five of them.) American Factors, Ltd. is also active in real estate development including a $40 million resort area projected for the Island of Maui. The company also owns Hawaii's largest insurance agency and the quality-type "Liberty House" department stores. Common stock ranking after $15.6 million in long term debt, sells at 38.

Hawaiian Electric Co. Ltd. is a rapidly growing utility property serving the requirements of Oahu and an estimated population of over 475,000. Growth is illustrated by a rise of net earning in the five year period 1955-9 from $2,642,000 to $3,837,000. The company helps develop its electric customers through sale of about $12 million in appliances annually through a subsidiary. Hawaiian Electric is a quality stock selling at 84, paying a $2.50 dividend.

To keep in touch with each other and the Mainland, the State leans heavily on **Hawaiian Telephone Co.**, which now serves the island complex with over 200,000 phones—all dials. Like the electric utility, Hawaiian Telephone has displayed a way above average growth rate. Stock was recently split 2-for-1 and sells now around 19 with an indicated 50 cents dividend.

Hawaii would no doubt have burgeoned even as a Territory, but statehood has given it a dynamic quality that pervades its economy. Hawaii with full employment, rising personal income, and an enthusiastic populace seems to be a pretty lively haven for equity capital. Some of the shares we've mentioned may merit a closer inspection.

Meyer to Be V.-P. Of Fusz-Schmelzle

ST. LOUIS, Mo.—John R. Meyer will acquire a membership in the New York Stock Exchange, and on June 1 will become a vice-president of Fusz-Schmelzle & Co., Inc., 522 Olive Street, members of the New York and Midwest Stock Exchanges. Mr. Meyer will retire from partnership in A. G. Edwards & Sons on May 31.

Hawaii: Our Newest State Enjoying Spectacular Growth

By James H. Shoemaker, *Vice-President, Director of Business Research, Bank of Hawaii, Honolulu, Hawaii*

We don't have to envy other countries' growth rate when right in our backyard one of our newest States has been enjoying a 10 to 12% growth rate and is expected to enjoy a 5 to 6% rate this year. Hawaii has come of age and Mr. Shoemaker shows not only why this is so, but, also, why the island will continue to offer unusual opportunities for investment and business development. The writer describes Hawaii's past growth; its full integration with the continent; the principal effects of Statehood in terms of business development and opportunities; and concludes that the State's mid-Pacific position is rapidly becoming a decided advantage.

Historic Background 1778-1961

A history of Hawaii might well be called "From Terra Incognita to the Crossroads of the Pacific in a Century and a Half." The Pacific was crossed as early as 1521. Later the "Manila Galleons" plied between the Philippines and Mexico for nearly two centuries without once sighting the Hawaiian Islands. Not until the publication of "Cook's Voyages" in 1784 (describing his discoveries of 1778) did the Islands even find a position on the charts of navigators. Because of this accident of history, Hawaii was the last important Pacific island area to be discovered; yet, because of its strategic position, it was the first to achieve modernity. No other island area has sprinted from early primitive to streamlined modern in so short a period.


James H. Shoemaker

Hawaii's development since 1778 covers six periods:

(1) **1778-1820** — The disruption of the primitive island culture.

(2) **1820-1872** — The inception of a new order — missionaries, whalers, and factors.

(3) **1872-1932**—The creation of a modern economy — expansion, annexation, and industrialization.

(4) **1932-1941**—The formation of a metropolitan community—urbanization and interracial adjustment.

(5) **1941-1945** — The disruption of civil administration—war and military government.

(6) **1945-1959**—The achievement of maturity and statehood.

From an economic point of view, the essence of the many changes between 1778 and 1959 was the transition from a primitive subsistence economy to a modern mass-production economy geared to Mainland markets.

Prior to 1872, for nearly a century, there was a continuous marked decline in population with no clear line of economic development.

Since 1872, Hawaii has recorded an extraordinary growth. Four factors have been basic in this expansion:

(1) People of diverse racial origins brought to the Islands a wide range of cultural backgrounds, inherent abilities, and contacts with other parts of the world.

(2) Resources made Hawaii a year-round mass-production agricultural economy.

(3) Geographic position made the Islands an outpost of national power, a tourist center, and a center for shipping and air lines.

(4) Close relations with the Mainland made possible the trade and economic specialization necessary for mechanized mass-production, the growth of services, and high standards of living.

The 60-year period from 1872 to 1932 was one of continuous plantation expansion. Sugar production increased from 8,498 tons in 1872 to 1,063,605 tons in 1932 (a 12,416% growth). During the first half of this period, large numbers of workers were brought from the Orient to man the growing plantations.

After repeated proposals for Territorial status, Annexation was ratified in Hawaii on Sept. 8, 1897, and adopted by Congress on July 1, 1898. The "Organic Act" (which was an agreement between two sovereign powers organizing Hawaii as a Territory) was adopted by Congress in 1900. The first Territorial Legislature convened on Feb. 20, 1901. This gave an additional impetus to sugar exports.

There was an equally remarkable growth in the export of canned pineapple following the invention of the Ginaca machine in 1913. Since then, Hawaii has produced and exported more than three times as much canned pineapple as all other world producers combined.

Production in these two basic industries tended to level off after 1932. Population continued to grow, whereas employment on the plantations declined because of mechanization.

During the 'thirties, however, the growth of employment in service industries and defense activity offset the decline in plantation employment and intensified the urbanward trend.

World War II suddenly expanded and drastically altered the economy of the Islands—gearing all activity to the winning of the war.

A postwar period of readjustment, inflation, and the unionization of labor was accompanied by ups and downs in population, production, and employment. But after 1950 there was a gradual transition to a rapidly accelerating rise which made the 'fifties the

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Hawaii: Our Newest State Enjoying Spectacular Growth

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most dynamic decade of growth in the history of the Islands.

Thus, in contrast with nearly a century (1778-1872) of population decline and sporadic experimental development, the past 87 years have recorded a tenfold increase in population and a far more than tenfold increase in production, income, and employment.

Island communities of 1961 are decidedly modern—possessing the most up-to-date electric power, banking, transport, highway, telephone, radio and television systems, excellent newspapers, well organized shopping centers, modern homes adapated to Hawaii's climate, and all of the various personal services generally available in an American community.

Today, with an area roughly equal to that of Connecticut and Rhode Island and a population of well over 600,000, Hawaii annually generates a "gross state product" of $1.7 billion and an aggregate personal income which amounts to $1.4 billion.

The Effects of Statehood

The integration of Hawaii's economy into that of the United States is not new. It began more than a century and a half ago with the early trade relations of American sailing ships that stopped in Hawaii for provisions and sandalwood en route to China. Trade gradually rose until 1872. Thereafter, with the growth of sugar exports (and later the admission of Hawaii as a Territory), commercial, financial, and trade relations expanded at an accelerating pace —never more rapidly than during the past decade. Hawaii is today as fully integrated into our national economy as is any state.

The advent of statehood is having a significant influence on business and economic development. It does not appear to be changing the character of the economy, but rather is accelerating developments which would have required a longer time had Hawaii not become a state.

The principal effects of statehood have been:—

(1) To increase the interest of Mainland investors and the volume of their investment in Hawaii. In this, insurance companies are playing a major role. Insurance companies' investments in Hawaii have increased from $17 million in 1948 to well over $250 million in 1961.

(2) To heighten commercial interest in Hawaii as a market for Mainland products. More branches of mainland firms are being established, more Mainland manufacturers are seeking Island agents, and more plants for manufacturing or processing imported raw materials into finished products are being planned.

(3) To stimulate tourism—making 1959-60 the biggest years in the history of the tourist industry in Hawaii. This accelerated pace has raised tourism to the leading place as a Hawaiian business activity.

(4) To intensify the trend toward "retirement - in - Hawaii," which will, before the end of this decade, become a primary factor in Hawaii's economy.

(5) To usher in a new stage in Hawaii's development. Underlying and heightening all other effects of statehood is the increased confidence engendered by the recognition that Hawaii has "come-of-age." This has created a determination and unity of action for the full development of the potentialities that lie ahead.

The Background of the Boom

The boom of the past seven years was preceded by two decades (1932-1952) of marked shifts in the character of the economy and of uncertainty in the economic outlook.

During 1932-41, there was (1) the nation-wide depression in the early 'thirties; (2) the leveling off of plantation growth (for six decades—1872-1932—there had been a continuous year-to-year growth—but the 1932 output was not again equalled until 1955); (3) a marked decline in plantation employment (due to mechanization) which, in turn, resulted in a shifting of population from neighbor islands to Honolulu and a rise in urbanization; (4) a fundamental change in the centers of economic and political power—accompanied by changing racial relationships and an improved interracial adjustment; and finally, (5) a rising threat of aggression by Japan, accompanied by a rise in defense activity.

The war (1941-45) created a sudden change in the entire economy involving (1) marked changes in population; (2) a hectic war boom (bank deposits, for example, rose from $130 million in 1940 to $533 million in 1945); and (3) acute shortages in housing, motor cars, consumer hard goods, and industrial and plantation equipment.

During 1945-52, the postwar period of readjustment brought four basic changes: (1) there was a drop from an annual level of defense of $800 million to $147 million in 1950 (bank deposits actually declined during this time, from $533 million in 1945 to $376 million in 1951); (2) there was a sharp increase in unionization, accompanied by strikes (outstandingly, the sugar strike of 1946 and the long waterfront strike of 1949); (3) the cutback in defense and the waterfront strike resulted in the worst recession in the history of Hawaii in 1949-50; and (4) this, in turn, caused an actual net decline in the population during 1949-52 due to outmigration.

In short, the ups and downs and uncertainties of the 1932-52 period were such as to retard building and investment so that even as late as 1953 there were still substantial shortages to be overcome.

Causes of the 1953-60 Boom

The factors that have created the boom can be very simply enumerated in the order of their importance: (1) the rise in defense activity (from $147 million in 1950 to $360 million in 1960); (2) the rise in tourism (from $24.2 million in 1950 to $131 million in 1960); (3) the rise in manufacturing (from $64 million in 1950 to $148 million in 1960); and (4) a mild rise in overall agricultural production — sugar, pineapples, and diversified agriculture (from $253 million in 1950 to $289 million in 1960).

Accompanying these basic increases was the growth in enterprises to service the growing economy. An overall figure for dollar volume of service activity is difficult to come by, but the increase can be roughly measured in terms of the increase in telephones (from 99,000 in 1950 to 208,000 in 1960), in electrical power output (from 522 million k.w.h. in 1950 to 1,204 million k.w.h. in 1960), and in retail trade (from $480 million in 1950 to $850 million in 1960).

Civilian population (as previously noted) declined from 471,000 in 1950 to 457,000 in 1952, but thereafter rose sharply to 595,000. Meantime, military personnel more than doubled, from 21,000 in 1950 to 43,000 in 1960 (not including seaborne troops based in Honolulu).

The overall growth can be measured in terms of the rise in personal income, from $689 million in 1950 to $1.4 billion in 1960.

Thus, in addition to the shortages that existed in 1953, there were the additional shortages created by the rapidly rising demands of the armed forces, of visitors, of manufacturing establishments, of shipping and air lines—and underlying all else, of a growing population with rising incomes and living standards. This was the basis for the boom.

The outward evidence of the boom has been the growth in construction, which remained at an average level of $92 million between 1950 and 1955, but thereafter rose to $113 million in 1956, $135 million in 1957, $175 million in 1958, $216 million in 1959, and $270 million in 1960. The reason for this rise was that the construction industry was clearly in a sellers' market—housing, office space, commercial buildings, industrial buildings, and hotels were urgently in demand and anything that could be built could be sold at an ample profit.

During 1959-60, the boom was especially pronounced because of the effects of statehood, noted above.

The Outlook for 1961

The outlook, however, is for a moderation of the boom (a trend already evident in the figures for the fourth quarter of 1960). The economy will gradually return to a normal rate of growth this year, for the following reasons:

(1) Because it does not appear probable that defense activity will continue to rise at the 1950-60 rate (from $149 million to $360 million) — especially in view of the fact that Capehart military housing construction will gradually taper off this year.

(2) Because the present Mainland recession already is having a moderating effect on tourism.

(3) Because it appears probable that the accelerating rise of construction will moderate this year. In respect to retail outlets, industrial plants, luxury-level housing, and military housing — construction has, for the time being, passed its peak. In respect to office buildings, construction is approaching its peak (that is, the

Hawaii's Economic Growth 1959-1960

—Population—	1959	1960 (Est.)	% Chg.
Total Population (as of Dec. 31)	632,000	648,000	+ 2.5
Labor Force (yearly average)	222,145	231,250	+ 4.1
Personal Income	$1,290,000,000	$1,430,000,000	+10.9
Commodity Exports	275,000,000	265,000,000	— 3.6
Commodity Imports	521,000,000	556,000,000	+ 6.7
Retail Trade	756,000,000	850,000,000	+12.4
Wholesale Trade	320,000,000	360,000,000	+12.5
Sugar, total value	130,998,000	127,000,000	— 3.1
Pineapple, total value	127,000,000	121,000,000	— 5.0
Diversified Agriculture	42,610,000	41,500,000	— 2.6
Construction Completed	216,400,000	270,000,000	+24.8
Defense Expenditures	338,000,000	365,000,000	+ 8.0
Manufacturing	129,123,000	148,000,000	+14.6
Tourism	109,000,000	130,000,000	+19.3
Services	198,000,000	224,500,000	+13.4

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market for office space is becoming increasingly competitive). Moderate priced housing and public construction are still on the rise, however.

(4) Because the population growth rate also has moderated (from an average increase of about 25,000 per year between 1954-58 to 16,000 in 1960).

(5) Because nothing spectacular can be expected in agricultural growth (although sugar will return to normal levels of output this year).

In short, instead of a 10 to 12% annual growth rate, a 5 to 6% advance is to be expected this year.

This means that 1961 is a year in which it is especially important to look beyond the immediate considerations underlying any given project. In most fields, developers are rapidly moving from what has been a seller's market into a highly competitive market — hence, overall prospective supply relative to the aggregate effective demand will be given greater weight in new plans for expansion.

Hawaii As an Area for Investment and Business Development

The prospective businessman or investor in Hawaii is faced with three disadvantages. The first is the 2,000 miles of ocean between the Islands and the Mainland. This creates obvious transportation and cost problems.

Ocean freight rates are considerably lower than rail rates, however. The "cost-distance" from Honolulu to San Francisco for example, is only one-fifth of that from Denver to San Francisco—although the actual mileage from Honolulu to San Francisco is twice as great. It is, in many cases, cheaper to ship goods from Honolulu to New York than from Kansas City to New York.

The second is the dominant position of Harry Bridges' International Longshoremen's and Warehousemen's Union in three basic fields — sugar, pineapples, and shipping. It should be noted, however, that labor and management (as well as the public in general) have a decidedly more mature outlook than was the case in the militant period of 1944-50. Hence there has been a continuing improvement in the stability of labor-management relations. It also is true that AFL-CIO unions have been increasing in strength, making the Islands less subject to the policies of a single union.

The third disadvantage is the relatively high level of State taxes. They are under scrutiny, however, preparatory to the future adoption of tax reforms.

These negative factors are far outweighed by the following advantages:

(1) Hawaii is one of the best areas in the world in which to live in terms of (a) an ideal year-round summer climate; (b) exceptionally attractive mountain, beach, and residential areas; (c) ultramodern services and conveniences; (d) excellent health conditions; and (e) a rich and varied cultural background — in sort, the State provides all of the attractions of a tropical island area with none of the typical disadvantages.

(2) Hawaii has well integrated relations with Mainland business centers, including (a) frequent 4½-hour air service to West Coast cities (9½ hours to New York); (b) regular-frequent and dependable ocean freight services to West Coast and East Coast ports; (c) telephone cables providing as immediate, clear, and direct telephone service to Mainland cities as is available in any Mainland area; (d) some 300,000 visitors annually, of whom approximately 20% are businessmen of substantial means (many of them with business interests or prospective interests in Hawaii); (e) close financial relations with Mainland banks and business houses—including very substantial Hawaiian investments on the Mainland and Mainland investments in Hawaii (insurance companies alone, for example, now have investments of over $250 million in the Islands); (f) Mainland representation in the Islands in the form of branch factories, chain stores, manufacturers' outlets, and branches of national research organizations and advertising firms.

(3) Hawaii has close business and financial relations with foreign countries bordering the Pacific—in particular, with Canada, Japan, the Philippines, Hong Kong, New Zealand, and Australia.

Western Europe also is a market for Hawaiian products. Hawaiian firms and agricultural experts provide know-how and technical assistance in tropical agriculture in such far-flung areas as Africa, the Near East, the Far East, and South America.

(4) Hawaii has an industrious labor force which possesses a wide range of inherent aptitudes and abilities.

(5) Hawaii possesses fully adequate business services, including modern banks with well integrated branch bank systems, as well as the full range of other financial institutions; (b) modern electric, telephonic, water, gas and transport systems; (c) excellent newspapers, as well as radio and television systems; and (d) professional, engineering, technical, advertising and research services.

(6) Hawaii has just completed the organization of a new streamlined State government, which works in close cooperation with fully staffed branches of the Federal Government. Hence, available governmental services are comparable to those in the leading states.

(7) Hawaii possesses a modern educational system which is rapidly advancing on all levels. Nearly two-thirds of all high school graduates go on for university or other advanced training (well above the national average).

In short, "the economic disadvantage" of Hawaii's mid-Pacific position is rapidly becoming a decided advantage. It already has made the State a world travel center, the operational center for the nation's defense throughout the Pacific hemisphere, and a major center for shipping and airlines.

Countries bordering the Pacific are increasing agricultural and industrial production and are attaining higher levels of tourism and trade. The continued shortening of "time-distance" is bringing them ever closer together. Economic activity throughout the Pacific has already entered a new period of dynamic growth.

Assuming reasonably sound planning and development, Hawaii as the "crossroads of the Pacific" is destined to rise far above present levels of business, trade, and tourism.

For all these reasons, the islands will continue to offer unusual opportunities for investment and business development.

No area in the world can measure up to a standard of perfection. Certainly Hawaii faces some possible future instabilities and challenging problems.

Measured by a standard of comparison, however, Hawaii appears to be one of the favored areas in the world, particularly for development during this decade.

NYSE Closing On May 29

The Board of Governors of the New York Stock Exchange has voted to close the Exchange on Monday, May 29, in order to give as many Exchange Community personnel as possible the advantage of a four-day Memorial Day weekend. Memorial Day falls on Tuesday, May 30.

Keith Funston, President of the Exchange, said the Monday closing will also give the office staffs of member organizations an opportunity to catch up on paperwork generated by the recent high volume of trading in all securities markets.

Member organizations will be advised to staff their offices on May 29 with the personnel necessary to clear up paperwork, answer inquiries from other firms, and effect deliveries in non-cleared securities. Personnel of the Exchange and its Stock Clearing Corporation will be on hand to assist member organizations in any way possible.

Mr. Funston said that there will be no regular settlement and clearance of Exchange-listed stocks normally processed through the Stock Clearing Corporation.

The Exchange's regular holidays, besides Memorial Day, are Jan. 1, Feb. 22 (Washington's Birthday), July 4, Labor Day, Election Day, Thanksgiving and Christmas. Good Friday is also traditionally declared a holiday by the Board of Governors. The last time the Exchange was closed on a normal working day, in order to create a long holiday weekend, was July 3, 1959, which provided a three-day July 4 weekend.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Automotive Parts Stocks—Report—A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y.

Bank, Insurance, and Savings & Loan Stocks — Review — Kidder, Peabody & Co., 17 Wall St., New York 5, N. Y.

Bank Stocks — 116th consecutive quarterly comparison of leading banks and trust companies of the United States — New York Hanseatic Corp., 120 Broadway, New York 5, N. Y.

Canadian Natural Gas — Survey with particular reference to **Alberta Natural Gas and Pacific Gas Transmission** — Ross, Knowles & Co., Ltd., 25 Adelaide St., West, Toronto, Ont., Canada. Also available is a list of suggested securities for a businessman's portfolio.

Chemical Industry—Analysis with particular reference to **Cowles Chemical Co., Freeport Sulphur Co.** and **Heyden Newport Chemical Corp.** — Purcell & Co., 50 Broadway, New York 4, N. Y. Also available is a report on **Swift & Co.**

Chemical Stocks — Comparative figures—Courts & Co., 11 Marietta St., N. W., Atlanta 1, Ga.

Dividends Over the Years—Tabulation of common stocks on the New York Stock Exchange which have paid a cash dividend each year for 25 years or more—Abraham & Co., 120 Broadway, New York 5, N. Y.

Fire Casualty Insurance Stocks — Comparison and analysis of leading stocks — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

First Year of Statehood — Mid Year Report on Hawaii: business conditions, urban development, growth patterns & economic potentials — Research, Bank of Hawaii, P. O. Box 2900, Honolulu 2, Hawaii.

Institutional Investment in Stocks—Study—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y.

Institutional Selections First Quarter 1961—Analysis—Droulia & Co., 25 Broad Street, New York 4, N. Y.

Japan Banking Briefs — Monthly bank letter on Japanese economic situation—Fuji Bank, Ltd., New York agency, 42 Broadway, New York 4, N. Y.

Japanese Market — Review — Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are analyses of the Japanese **Brewing Industry, Sheet Glass Industry, Nippon Reizo Kabushiki Kaisha, Bridgestone Tire Co., Ltd., Takeda Pharmaceutical Industries, Ltd.** and **Nippon Columbia Co. Ltd.**

Japanese Market — Review—Nikko Securities Co., Ltd., 25 Broad Street, New York 4, N. Y. Also available is a report on **Mitsubishi Chemical Industries** and an analysis of 16 Japanese stocks which are ADR candidates.

Japanese Stock Market — Survey—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available are analyses of **Yawata Iron & Steel; Fuji Iron & Steel; Hitachi Limited** (electronics); **Kirin Breweries; Sumitomo Chemical; Toyo Rayon; Toanenryo Oil Company; Sekisui Chemical Co.** (plastics); **Yokohama Rubber Co.;** and **Showa Oil Co.**

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 23-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Over the Counter Securities — Survey with particular reference to **Astrex, Commonwealth Oil Refining, C. G. Conn, Hamilton Management, March Supermarkets, Mother's Cookie Company, Nissen Trampoline, Oshawa Wholesale Ltd., Swingline, Tenax, Trans Air System, Transcontinental Investing Corp.**—Cowen & Co., 45 Wall St., New York 5, N. Y.

Paper Industry—Analysis—Gruntal & Co., 50 Broadway, New York 4, N. Y.

Portfolios—Lists in various categories—Draper Dobie & Co., Ltd., 25 Adelaide St., West, Toronto, Ont., Canada.

Treasure Chest in the Growing West—28-page brochure on industrial opportunities in the area served—Utah Power & Light Co., Dept. K, Box 899, Salt Lake City 10, Utah.

* * *

Allied Chemical Corporation — Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

American Marietta Company — Analysis — Salomon Brothers & Hutzler, 60 Wall St., New York 5, N. Y.

American Sterilizer Company — **Analysis**—Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 5, N. Y.

American Viscose — Data — Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N. Y. Also available are data on **Woolworth.**

Andersen Laboratories — Analysis —Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y.

Beech Aircraft Corp.—Analysis—Eisele & King, Libaire, Stout & Co., 50 Broadway, New York 4, N. Y.

Botany Industries — Bulletin — Charles A. Taggart & Co., Inc., 1516 Locust St., Philadelphia 2, Pa.

Bucyrus Erie Company—Analysis —Hornblower & Weeks, 40 Wall St., New York 5, N. Y. Also available are data on **American Steel Foundries, Louisville & Nashville** and **Deere.**

Burndy Corp. — Memorandum — Schwabacher & Co., 100 Montgomery St., San Francisco 4, Calif. Also available is a memorandum on **United Electrodynamics Inc.**

Burndy Corporation — Report — Ira Haupt & Co., 111 Broadway, New York 6, N. Y. Also available is a report on **Cannon Electric.**

Chemetron Corp. — Bulletin — Schweickart & Co., 29 Broadway, New York 6, N. Y.

Cockshutt Farm Equipment — **Memorandum** — J. W. Sparks & Co., Western Saving Fund Building, Philadelphia 7, Pa. Also available are memoranda on **Mid West Abrasive, Motor Wheel, Telautograph,** and **Victoreen.**

Colgate Palmolive Co.—Review—Hemphill, Noyes & Co., 15 Broad St., New York 5, N. Y. Also available are reviews of **Hoogevens, Northwest Airlines,** and **Wickes Corp.**

Cyclomatics, Inc.—Report — General Securities Co., Inc., 101 West 57th St., New York 19, N. Y.

Elder Mines & Developments—Bulletin — Arden Perin & Company, Inc., 510 Madison Avenue, New York, N. Y.

Electro Science—Research data—Parker, Ford & Company, Inc., Vaughn Building, Dallas 1, Texas. Also available are data on **Wallace Properties** and **Namco.**

Epsco — Analysis — Schirmer, Atherton & Co., 50 Congress St., Boston 3, Mass. Also available is a bulletin on **Campbell Chibougamau Mines, Ltd.** and an analysis of **Lynch Communications Systems, Inc.**

Ets-Hokin & Galvan — Review — Shields & Co., 44 Wall St., New York 5, N. Y. Also available is a review of **Pennsylvania Gas & Water.**

Firth Sterling — Report — Blair & Co., Inc., 20 Broad St., New York 5, N. Y.

Fort Worth Steel & Machinery —Memorandum—Aetna Securities Corp., 111 Broadway, New York 6, N. Y.

Friden, Inc. — Memorandum — Reich & Co., 39 Broadway, New York 6, N. Y.

General Motors—Memorandum—Lee Higginson Corp., 20 Broad St., New York 5, N. Y.

Gibson Greeting Cards, Inc. — Analysis — Shearson, Hammill & Co., 14 Wall St., New York 5, N. Y. Also available are analyses of **Oxford Manufacturing Co., G. D. Searle & Co., Philadelphia & Reading Corp., Newport News Shipbuilding,** and **Aetna Insurance Co.** and memoranda on **International Telephone, Northern Pacific, Cowles Chemical** and **Budget Finance Plan.**

Gulton Industries, Inc. — Discussion in May issue of "American Investor" — The American Investor, 86 Trinity Place, New York 6, N. Y. 15c per copy, $1 per year. In the same issue is a discussion of **West Chemical Products, Polymer Corporation** and **Gulf & Western.**

Joseph & Feiss—Memorandum—Johnston & Co. Inc., Hanna Building, Cleveland 15, Ohio.

Kentucky Central Life and Accident Insurance Company — Analysis—L. C. Whitaker Securities Corporation, Kentucky Home Life Building, Louisville 2, Ky.

Kratter Corporation — Analysis—W. E. Hutton & Co., 14 Wall St., New York 5, N. Y. Also available is an analysis of **American Steel Foundries.**

Lestoil Products—Analysis—Hannaford & Talbot, 519 California Street, San Francisco 4, Calif.

Linair Engineering, Inc.—Bulletin—W. F. Taylor, 639 South Spring Street, Los Angeles 14, Calif. Also available is a bulletin on **Cal Tech Systems, Inc.**

Lockheed Aircraft Corporation—Analysis — Reynolds & Co., 120 Broadway, New York 5, N. Y.

McGraw Electric — Memorandum —Auchincloss, Parker & Redpath, 2 Broadway., New York 4, N. Y. Also available are memoranda on **Square D** and **Packard Bell Electronics.**

Melpar — Memorandum—Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia National Bank Building, Philadelphia 7, Pa.

Montgomery Ward — Review — Hardy & Co., 30 Broad Street, New York 4, New York.

Morton Foods, Inc. — Analysis — Eppler, Guerin & Turner, Inc., Fidelity Union Tower, Dallas 1, Tex.

Multi-Amp Electronic Corp.—Report—Lloyd Haas & Co., 120 Broadway, New York 5, N. Y.

Olin Mathieson Chemical Corp.—Analysis—Cruttenden, Podesta & Co., 209 South La Salle Street, Chicago 4, Ill.

Olin Mathieson Chemical Corp.—Review — Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Blaw Knox Co.**

Pechiney—Discussion—Stearns & Co., 80 Pine Street, New York 5, N. Y. Also available are discussions of **Ericsson Telephone** and **Westinghouse.**

Robertshaw Fulton Controls — Memorandum—J. C. Wheat & Co., 1001 East Main Street, Richmond 19, Va.

Rohr Aircraft Corporation — Analysis—Theodore Tsolainos & Co., 44 Wall Street, New York 5, N. Y.

Ronson — Memorandum — Parrish & Co., 40 Wall Street, New York 5, N. Y. Also available is a memorandum on **Allis-Chalmers.**

Royal Dutch — Memorandum — Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y. Also available is a memorandum on **Canadian Pacific.**

St. Regis Paper — Memorandum —B. C. Christopher & Co., Board of Trade Building, Kansas City 5, Mo. Also available is a memorandum on **Missouri Public Service.**

Seaboard & World Airlines—Data —Colby & Co., Inc., 85 State Street, Boston 9, Mass. Also available are data on **Sherritt Gordon** and **Sinclair Oil.**

Shatterproof Glass Corporation—Analytical brochure—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y. Also available is an analysis of **Mack Trucks, Inc.**

Silicon Transistor Corporation—Report—Adams & Company, 5455 Wilshire Boulevard, Los Angeles 36, Calif.

Smith Corona Marchant Inc.—Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Southern Gas & Water — Memorandum—F. L. Putnam & Company, Inc., 77 Franklin Street, Boston 10, Mass.

Springfield Baptist Hospital First Mortgage Serial Bonds—Bulletin —B. C. Ziegler and Company, Security Building, West Bend, Wis.

Standard Kollsman Industries—Analysis—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

Standard Oil of New Jersey—Analysis — A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available is an analysis of **Pure Oil Co.,** and a memorandum on **United Electrodynamics.**

Steel Crest Homes—Memorandum —Harrison & Co., 123 So. Broad Street, Philadelphia 9, Pa.

Sundstrand Corporation—Analysis—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif. Also available is an analysis of **Avon Products, Inc.**

H. I. Thompson Fiber Glass Co.—Bulletin—Taylor, Bergen & Co., 639 South Spring Street, Los Angeles 14, Calif. Also available is a bulletin on **Hermetic Seal Corporation.**

Trans Air System—Analysis—Van Alstyne, Noel & Co., 40 Wall St., New York 5, N. Y. Also available are reviews of **Hilton Hotels Corp., Greyhound Corp.,** and **Burlington Industries.**

Union Pacific Railroad—Bulletin —Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available is a bulletin on **Fixed Income Securities and the Economy,** and data on **Zenith Radio Corp., Cerro de Pasco Corp., Detroiter Mobile Homes, Carolina Power & Light** and **Schering Corporation.**

United Electrodynamics—Memorandum — Clark, Dodge & Co., Inc., 61 Wall Street, New York 5, N. Y.

U. S. Industries—Bulletin—Purcell & Co., 50 Broadway, New York 4, N. Y.

United Technical Industries — Memorandum—Clark, Weinstock & Porges, 711 Fifth Avenue, New York 22, N. Y.

Wabash Magnetic, Inc.—Report—Keene & Co., Inc., 80 Wall Street, New York 5, N. Y.

Wesco Financial Corporation — **Analytical brochure** — William Blair & Co., 135 South La Salle Street, Chicago 3, Ill.

Zenith Radio Corporation — Analysis—Bacon, Whipple & Co., 135 South La Salle Street, Chicago 3, Ill.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

The United States economy has experienced a very mild recession during the past year and is now moving forward again. Thus states the May *Barometer of Business* published by Harris Trust and Savings Bank, Chicago. Rising industrial production, improved retail sales, increased housing starts and higher government spending all point to sustained recovery in the months ahead.

The recent decline must be judged one of the mildest in the history of U. S. business recessions the Harris Bank monthly feels. Gross national product in monetary terms fell by only 1.1% from the peak in the second quarter of 1960 to the trough in the first quarter of 1961. This decline in GNP was less than one-half as large as in any of the other three postwar recessions.

A switch in inventory policy from accumulation to liquidation was largely responsible for the reduction in GNP states the *Barometer*. Inventories were being accumulated at the rate of $5.3 billion in the second quarter of 1960, against a liquidation of $4.5 billion in the latest quarter, a change of $9.8 billion. Since the total output of goods and services slipped by only $5.5 billion, final demand actually increased $4.3 billion from peak to trough.

Inventory liquidation has been a prime contributor to other postwar recessions points out the periodical. Changes in inventories from peak to trough measured $9.6 billion in 1947-1949, $6.3 billion in 1953-1954 and $9.4 billion in 1957-1958.

Although inventory change from accumulation to liquidation was as severe in this recent recession as in other downturns, the remaining components of GNP displayed stability. Consumption spending was identical in the second quarter of 1960 and the first quarter of 1961.

Also construction declined by only $1.6 billion and spending on producers' durable equipment by $3.1 billion. Producers' durable equipment tumbled $4.8 billion from GNP peak to trough in 1957-1958.

Two areas of the economy which checked the decline, the *Barometer of Business* reports, were the export and government sectors. Net exports of goods and services and government spending increased by approximately $3 and $6 billion respectively between the second quarter of 1960 and first quarter of 1961. The large increase in exports during this recession was unique among the postwar declines.

Two other widely used measures of business acivity, industrial production and unemployment, showed much less deterioration in the 1960-1961 recession. Although unemployment was high before the 1960-1961 recession, it increased less than in previous downturns. The seasonally adjusted unemployment rate of 6.8% in February was less than at the trough of 1949—7% and 1958—7.3%.

Regarding present business activity, the Harris Bank states that numerous signs point to rising business trend. The latest weekly statistics on steel, automobile, truck, and paperboard and electric power output indicate that industrial production is now moving up from the reduced levels of early 1961.

Steel production has increased from week to week in each of the past several weeks to its highest level in nearly a year. Auto production, reflecting higher sales in March and April, was up over 10% in April from March output.

As in the previous three postwar recessions, the Barometer points out, construction on new homes is providing a welcome stimulus to recovery. Private housing starts have increased over 30% from the December low. Moreover, the recent strength in applications for government - insured mortgages portend rising housing starts for the next few months.

Applications for FHA commitments and VA appraisals combined are at their highest point in 18 months. Since spending on residential construction follows housing starts, an increase in expenditures on construction can be forecast with confidence for later in the year. The drop in new construction spending in the first quarter of 1961 reflects the low level of housing starts late in 1960 and January, 1961.

The liquidity in the economy appears to be sufficient to support higher spending the Harris Bank indicates. The Federal Reserve continues to provide commercial banks with free reserves in excess of $500 million. Member bank borrowings are currently lower than at any time in the past six-and-a-half years. The easy credit position of member banks is being translated into an expanding money supply.

Bank Clearings 13.0% Ahead of the May 20 Week Last Year

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based on telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, May 20, clearings from all cities of the United States from which it is possible to obtain weekly clearings was 13% above those for the corresponding week last year. Our preliminary totals stand at $28,-485,324,762 against $28,485,324,762 for the same week in 1960. Our comparative summary for the leading money centers for the past week follows:

Week End. May 20—	1961 (000s omitted)	1960 (000s omitted)	%
New York	$17,667,992	$14,795,973	+19.4
Chicago	1,526,562	1,386,688	+10.1
Philadelphia	1,262,000	1,188,000	+ 6.2
Boston	957,294	894,601	+ 7.0

"Iron Age" Sees Steel Demand Still Moving

The recovery in steel demand is still moving in a remarkably uniform manner. It is orderly, moderate, and broad.

A survey by *Iron Age* district editors discloses:

(1) The steel improvement is no flash-in-the-pan.

(2) The summer slow-up is coming, but it may be only a leveling-off instead of a letdown.

(3) Seasonal factors have come from one-to-two months late this year. Thus, they will hold over longer than usual.

(4) There are some signs that consumers are ordering a little further ahead—a pattern of past recoveries, which feeds on itself.

(5) An operating rate of 65% (of industry steelmaking capacity) or slightly higher is assured for the second quarter. While a high of around 70% to 75% cannot be sustained throughout the summer, it will probably reappear after Labor Day.

(6) If oil and gas, railroads, home construction, appliance makers, and miscellaneous users all move into the market together later, a minor boom in steel could get underway in the latter part of the year.

Heavy shipments of automotive steel in the past few weeks are having an effect on mill deliveries. Automakers plan to have most of the steel they need for the remainder of 1961 model production on hand by mid-June, the national metalworking weekly says.

But they will start getting steel for 1962 model production even before then. Auto sales executives are convinced the next model year will be strong.

Steel mills are moving into the critical period for June. If orders come in as they did in late April,

Continued on page 29

Short-Term Steel Outlook

By T. F. Patton,* *President, Republic Steel Corporation, Cleveland, Ohio*

The precursory steel industry, Mr. Patton points out, led the economy's recovery and should progressively improve to where it might reach near its 1955 record high of 117 million tons by June, 1962. The steel head opines the recovery is more vigorous than generally expected, and he notes that the industry is faced with a most serious profit squeeze problem. He declares the normal depreciation allowance is inadequate and warns that insufficient profits will repel new capital it needs to serve a growing economy. He is more concerned about flat rolling than oxygen—processed ingot capacity—and is confident of the industry's ability to withstand competitive products' inroads.

I am very glad to be discussing the steel industry outlook now rather than a few months ago, because the corner has been turned and we have a period of improving business ahead of us.


T. F. Patton

Perhaps some have noted that steel production began its recovery a little ahead of the overall economy. The Federal Reserve Board Index of Industrial Production declined from 103 in December 1960 to 102 in Janauary, and stayed at just about that level all through the first quarter with an increase to 105 appearing in April. Steel ingot production, however, rose steadily from the December average of about 1,350,000 tons per week to 1,750,000 tons per week average in April, a gain of about 30% and is currently at a weekly rate of almost two million tons. On a quarterly basis, the first quarter was 4% better than the fourth, and the current second quarter may be 20% to 25% better than the first.

Basis of Recovery

The improvement in steel during recent weeks has been due to a cessation of inventory liquidation by steel users and the beginnings of an actual rise in steel consumption. The recovery in general business activity is turning out to be more vigorous than most people anticipated. The steel industry is benefiting from this development because the industries primarily responsible for the better general outlook—autos and capital goods—are major steel consumers.

Steel output should rise during each quarter of 1961 and the first half of 1962 as the business recovery progresses.

Ingot production in the fourth quarter may be at a rate of about 2.2 million tons weekly, equivalent to about a 50% increase over the fourth quarter 1960. These figures should result in a total for 1961 of close to 100 million ingot tons, compared to 99 million in 1960 and 117 million in our record year, 1955.

The outlook for the first quarter of 1962 is even better, when the weekly ingot rate should exceed 2.4 million tons. The 12 months of July 1961 to June 1962 may see total ingot production coming close to the record calendar year 1955.

While we do not expect these rates of steel demand to press against the capabilities of the steel industry, a word about facilities is in order. In terms of total ingots, the various new oxygen processes mean that there is plenty of capacity. However, when we consider the availability of rolled products, we are already seeing a change from the "immediate delivery" situation earlier this year. Particularly for some flat rolled products, such as galvanized sheets, the lead time between placement of order and shipment will be increasing. When the finishing mills were operating at very low levels, it was possible to practically turn them upside down to achieve what seemed to be "impossible" deliveries. This simply cannot be done at more normal rates of operation, and as the delivery promises lengthen, it will mean that steel users will have to again carry an adequate inventory to protect themselves against possible interruptions of their production. We have included in our estimates an allowance for this factor, but the major part of the gains we project for late 1961 and early 1962 are related to upward trends in capital expenditures, construction and consumer durable goods.

Present Facilities Adequate

The pressures generated by the coming upturn do not appear great enough to bring about a new program of expansion of steelmaking facilities. However, the combination of competitive pressures for better products and the rising level of labor costs mean that the steel industry will continue to spend large sums to improve its existing facilities. The urgency of these pressures cannot be overemphasized. I will not detail here the way costs have risen, but merely mention that since June of 1959 to January 1961 the total labor cost of the industry has risen some 29 cents per hour, including fringe benefits but not counting the additional 10 cents which comes into effect Oct. 1, 1961.

Owing to the market conditions of the past year the steel industry has been forced to absorb these cost increases. We combat them in every possible way with added investment in better equipment, strenuous cost-control programs, research to improve raw materials and steelmaking processes, new marketing and product development programs.

Despite our best efforts, steel, like most American businesses, is in a serious profit squeeze. This is a major problem. Now, more than ever before, the steel industry needs profits to attract new capital to enable us to continue to serve our growing economy. Normal depreciation allowances are obviously not adequate in view of the combination of increased price of equipment today over the cost of the facilities it replaces and the increased complexity of the new machinery in contrast to the old.

Recession Benefit

The recent recession has had one fringe benefit: it forced us in steel to look more critically at our present position and our future. From this critical examination have come several sharp shifts in emphasis and direction. New capital is now flowing into improved facilities and spending for research and development has been increased. This is leading to new and better products. For example, some of the new type of zinc-coated steel products mean increased corrosion resistance for auto bodies. Plastic coated products such as Republic X-Tru-Coat steel pipe mean longer life for underground gas lines. Vacuum-melted steels give strength previously considered a laboratory curiosity and allow production of missile and aircraft parts to meet space-age stresses. There is concrete evidence that the new "skinny" tin plate which is now appearing on the market will effectively halt the inroads of aluminum in the container industry. We may sell less tons of tin plate in the immediate future as a result of its light weight but in the long run both the consumer and the steel industry will benefit.

Not the least important of the new developments in the steel industry has been a shift from a production-oriented to a market-oriented industry.

In the immediate post-war period the shortage of steel was acute. The deferred demand for all sorts of durable goods that had built up for the preceding 15 years combined with plenty of ready money and ample credit to create a pressure for steel far above the normal trend. The steel industry was forced to maximize production, and this grave rise to some real problems. The effort to meet quantity requirements slowed the normal improvement in product quality. Huge order backlogs and pressure from all sides led to something less than perfect service. There was no need to think about new products when the industry could not keep up with demand for the existing items. And at the same time, the shortages allowed competitive materials to move into markets formerly served only by steel, while rapidly increasing labor costs had to be met by price increases.

Business Reoriented

After the Korean War, really in 1955 to 1960, there was a period of transition, when the steel industry began to be under competitive pressure once more. A reappraisal began, with orientation shifting toward markets and marketing problems.

Additional research facilities and expanded research organizations were instituted in almost every steel company. Their emphasis has been on better production processes, new products, improvement of existing products and development of ways to better serve the needs of our customers.

There has been a growing awareness that competition is broader than our own industry—that the inroads of competitive materials must be measured, analyzed and met. Expenditures for production facilities have been aimed at improvement of quality and reduction of cost with more emphasis on finishing operations than on ingot output.

At the same time, new marketing approaches have been developing. On an industry basis we have adopted the Steel Mark Program to indentify the consumer goods made from steel and acquaint the ultimate user with the benefits of products made of steel. On a company basis, there are numerous programs of sales development, such as our own Order Maker's Institute in which we train the salesmen of the distributors who handle our products.

We can confidently state that the steel industry has a fresh viewpoint; that despite the competitive and economic problems we face, steelmill products are and will continue to be the basic fabricating material of our economy.

*An address by Mr. Patton before the 45th annual meeting of the National Industrial Conference Board, New York City, May 18, 1961.

Named Director

Richard H. Woodward, Jr., formerly a partner in Merrill, Lynch & Co. and E. A. Pierce & Co. has been elected a director of Standard Instruments Company.

U. S. Undertakes Forward Exchange Operations

By Paul Einzig

The U. S. Treasury is congraulated for its—not too well known—official intervention in the forward exchange market wherein it sells D. marks for forward delivery which it obtained recently from German debt repayment. The decline in outward arbitrage from N. Y. to Germany is attributed to this move. Dr. Einzig sees no need to limit such an operation to D. mark holdings so long as a short position is tenable, and he cautions that this is a holding step and not a substitute for proper currency-strengthening action. The writer opines official German buying of forward dollars would be more effective than official U. S. selling of forward D. marks.

LONDON, Eng. — The extent to which the new Administration has shown itself responsive to innovations in the sphere of monetary policy is probably largely responsible for the cessation of the drain on the American gold reserve. One of the recently proposed moves in the right direction, the suspension of reserve requirements, received much well-deserved favorable publicity on this side of the Atlantic where the system under which gold is supposed to serve as a security for domestic currency and credit has long been looked upon as an anachronism. But an equally important reform which has been adopted by the United States monetary authorities has received so far very little attention. It is the official intervention in the forward exchange market, with the object of discouraging outward interest arbitrage from the United States to Western Germany.

We are Supporting the Dollar With D. Marks

According to the scant information available on the subject, the United States Treasury took the opportunity of the German debt repayment for securing itself a substantial amount of D. marks and has embarked on the practice of selling these D. marks for forward delivery, with the object of reducing the premium on forward D. marks. This is necessary in order to reduce the profit on interest arbitrage which would otherwise cause a heavy outflow of funds and a heavy loss of gold. As a result of the official operations, the profit-margin on outward arbitrage from New York to Frankfurt is no longer sufficient to attract arbitragers.

During recent years a number of academic economists have been agitating in favor of the adoption of a forward exchange policy by the monetary authorities in defense of their currencies in face of an adverse pressure. They are not in a position, however, to claim credit for having persuaded the United States authorities to adopt their proposal, because the circumstances in which the American forward exchange policy is now applied are fundamentally different from those in which they wanted the monetary authorities to support their currencies by means of unlimited intervention in the forward exchange market. They wanted to divert to the forward exchange the whole weight of pressure on the spot exchange during a period of heavy and prolonged speculative attack. Had their advice been followed by the U. S. Treasury during the periods of acute attack on the dollar in recent years, the artificially favorable dollar rate would have greatly encouraged speculation and hedging against the dollar, so that the total volume of selling pressure would have been greatly increased. Even in the absence of published information about the extent of these operations, the assumption that a very large part of the gold reserve was pledged in such forward exchange commitments would have accentuated the wave of distrust, especially as during such periods the markets are inclined to exaggerated pessimism.

At present there is no acute attack on the dollar, so that the game of forward exchange policy can be played from strength instead of being played from weakness as had been suggested. The United States authorities can now afford to apply it, as they can afford to suspend reserve requirements, without thereby generating a wave of distrust. They are to be congratulated on having departed from the conventional attitude of keeping strictly aloof from forward exchange operations, and indeed from the tradition-ridden principle that the defense of the stability of the dollar must be confined to the maintenance of its convertibility into gold for international purposes. The self-imposed ban on official intervention in the foreign exchange market in general and in the forward exchange market in particular had placed the United States Treasury into a position of disadvantage, comparable with that of the boxer who enters the ring with one of his hands tied behind his back.

The official forward operations need not be limited to the amount of D. marks actually held by the U. S. Treasury. If it should develop a short position in D. marks it is always able, if necessary, to meet its commitment by selling gold. So long as the extent of the commitments it not so heavy as to pledge a substantial part of the gold reserve no exception can be taken.

It Does Not Solve, Only Defers

What is essential is to realize that the official forward exchange operations do not in themselves solve the problem the monetary authorities have to face. If there is a persistent demand for forward D. marks the authorities have to provide the counterpart in order to prevent arbitragers from providing the counterpart. When the forward contracts mature they may have to deliver the D. marks, in which case their combined gold and foreign exchange reserve declines to the same extent as if the pressure had been allowed to produce its effect on the gold reserve. The advantage of the forward rate policy is that it defers and disguises the pressure, and gives the authorities a chance to adopt measures to strengthen their currency. Forward exchange policy must not be looked upon as a substitute for such measures.

It would be much more effective if the premium on forward D. marks were kept down, not by official American selling of forward D. marks but by official German buying of forward dollars. The sky is the limit of the extent to which buying pressure on a forward exchange could be resisted by the authorities of the country concerned, provided that it is in a position to run up an unlimited long position in foreign currencies and is prepared to accumulate, if necessary, a large balance in them. It is to be hoped that the American operations will be backed up by West German operations in that sense.

This subject is extremely complicated and highly technical, and the above remarks necessarily over-simplified the arguments involved. It is essential, however, for politicians, businessmen and the press to take an intelligent and critical interest in this new departure by the American monetary authorities.

Bregman Co. to Be New Firm Name

Effective June 1 the firm name of Brandenburg & Co., 100 Broadway, New York City, members of the New York Stock Exchange, will be changed to M. L. Bregman & Co. On the same date Edouard A. Bindler will acquire a membership in the Exchange and become a partner in the firm.

Mitchum, Jones to Admit to Firm

Anthony J. Landi will acquire a membership in the New York Stock Exchange, and on June 1 will become a partner in the Los Angeles firm of Mitchum, Jones & Templeton, members of the New York and Pacific Coast Stock Exchanges. Mr. Landi will make his headquarters in New York City.

Postlethwaite V.P. Of Raffensperger

INDIANAPOLIS, Ind. — Announcement of the election of Frederick R. Postlethwaite to Vice-President of Raffensperger, Hughes & Co. Inc., 20 North Meridian St., members of the New York Stock Exchange, was made by C. William Raffensperger, President.

F. R. Postlethwaite

Prior to joining the company in September 1954, Mr. Postlethwaite was associated with the Owens - Corning Fiberglas Corp., Toledo, Ohio.

Keating Joins Goodbody & Co.

The firm of Goodbody & Co., 2 Broadway, New York City, members of the New York Stock Exchange, have announced the opening of an Institutional Sales Department under the management of Laurence C. Keating. Mr. Keating has been in the investment business for a number of years, more recently he was associated with the firm of Eastman Dillon, Union Securities & Co. as National Institutional Sales Manager.

Research and Development Costs and Stock Prices

By Gunter Rischer, *Economist, Business Planning Office, Ford Motor Co., Dearborn, Michigan*

Those who make unduly optimistic appraisals of space age-electronic stocks based on firms' R/D expenditures are warned that this investment cost for the future always cuts into profits but does not always carry a guarantee of profit-paying success. The highly competitive rate of technological progress is said to nullify the chance for innovational monopoly profits except for those firms that prudently pursue R/D expenditures. Mr. Rischer notes that R/D costs can be defensive or offensive measures or both; they may be one of the causes of the prevailingly smaller earnings-per-sales dollars; and may not be profitable because of keen competition forcing a rapid technological pace which can cut off the profits anticipated in the original outlay.

The reading of annual reports is always instructive beyond the bare figures which they contain. In the annual report a company makes an effort to present its corporate image to the public by speaking about its activities, about its hopes and successes, its failures and problems. Problems tend to be treated more discreetly, by implication rather than explicit statement. But when such statements are indeed made, they deserve attention. This is all the more the case if they concern a matter which disturbs a generally popular notion.

The enthusiasm with which the investing public is treating the space age and electronics stocks has occasionally challenged top management officials to appeal for caution in valuing the stocks of their companies. Recently this "Chronicle" printed the literate and outspoken comments on this subject by the President of Motorola, Inc., in an address to investment bankers (C. & F. C., March 20, 1961, p. 9). Not all Presidents speak to investors in this way. But even to the casual reader, the recent crop of 1960 annual reports offers a surprising number of pertinent comments in a similar vein, or at least leading to the same conclusions if pieced together.

The following remarks, buttressed by some quotations from annual reports, concern the role of research and development costs of "applied science" companies, i.e. the companies in the electronics and space age business. The conclusions are believed to be valid for a large number of companies, not only those from whose reports quotations are taken.

R & D Outlays Cut Profit Margins

It is a well-known fact that for numerous companies, profit margins narrowed in 1960. Despite higher sales they reported lower earnings than in previous years. Often the shrinking of profits is explained by rising wages and material costs, problems which beset the business community all over.

Then there are the big aircraft companies which spent heavily on the development of their commercial jet-liners and other projects. The enormous expense involved in such an undertaking is a special case, peculiar to the aircraft industry and in its magnitude quite out of the ordinary. At the same time, the necessity for development outlays is nothing unusual at all.

All companies fall between these extremes. On the one hand a business operation producing the same article year after year without ever spending anything on the development of a new product. The costs are what it takes to produce and to sell the item. On the other hand are the industries in which companies have to develop new products constantly at great, perhaps overwhelming expense. Their profitability depends not on the actual production costs of the developed goods as much as on the development costs.

This is certainly not a novel idea. As to the aircraft companies, investors are aware of their plight as reflected by stock market valuations. But the view may be broadened and the question asked: Is this situation recognized to the same degree in respect to all the other companies caught in the competition via technological advance? Their outlays may not always reach the same startling magnitude as those of the aircraft companies, they may not get the same publicity but they are just as essential for their survival and mean the same thing: money spent.

No Guarantee of Success

No doubt, anybody engaged in a business where R & D play a role has reasoned many a time that this year's research effort is next year's gain. Annual reports argue the same way. Analyses of science stocks are based on this idea. True, research and development are investments in the future but as such they do not have a guaranteed return. Also, like any other kind of investment there is an offensive and a defensive side to it: capturing a higher volume of business and protecting the existing volume.

Which aspect prevails depends on the situation. What would have happened to one of the aircraft companies if it had chosen not to incur the heavy costs, i. e. not to develop a new airplane? The answer is, of course: it would have gone out of business. Likewise, what would happen to a company in the applied science field if it does not continuously spend large amounts of money on research? The outlays are divided among a greater number of smaller projects. The impact of failing to keep up with technological progress will perhaps not be so abrupt but sooner or later this company too will be out of business.

There can be no doubt, research and development expenditure is first of all part of the cost of doing business, just as much as costs of production, selling and advertising expenses are. If they are called an investment in the future, they resemble all too often the defensive type investment. Insisting that earnings would have been so much higher if they had not been plowed back into R & D may be nothing but sugar-coating the pill that there are no profits.

With this notion in mind it may be possible to pinpoint one of the causes for smaller earnings per sales dollar as experienced by some companies last year: higher outlays on research and development. This does not necessarily mean higher salaries for scientists and technical personnel but it does mean higher outlays per unit of research-dependent sales.

Low Profits on Defense Work

Different reasons may be responsible for this situation. The 1960 annual report of United Aircraft makes some telling comments:

> "The corporation financed development costs are apart from those which are recovered directly through military research and development contracts or indirectly through inclusion of project costs as indirect expense in establishing selling prices for military and commercial products. This pattern of support of development products has meant that the corporation must expend its own funds to anticipate future customer needs in certain areas."

While this quotation relates specifically to United Aircraft's industry, similar comments can be found in the reports of other corporations in other areas of the defense business. General Electric—unlike United Aircraft, not faced with the painful transition from manned aircraft to missiles—remarks as follows:

> "In defense work generally the earnings as a percent of sales are well below those for commercial business. At the same time there is a continuing increase in the risk which a company must take in development expenditure and investments in new facilities preparatory to securing many defense contracts."

The list of quotations could be lengthened to include many of the major prime and subcontractors. To it could be added reports from men in the industry who have first-hand experience with the task of being "in good standing" with the military. This means that a company is willing to use its own funds to bring a defense project well along before the government agency is approached for higher appropriations. Behind it is the hope that this agency will reward such eagerness with higher contracts in the future. In this light R & D outlays become almost indistinguishable from advertising or selling expenses.

Once contracts are secured, profits are not boundless, as pointed out by the GE report. Obviously, on Cost-Plus-Fixed-Fee contracts the margin is fixed; larger volume may at best show up in lower overhead on overall sales. Fixed Price contracts offer opportunities to the farsighted, capable of calculating the probable cost of performing a contract; but the risk of making mistakes can also be costly. Besides, the axe of renegotiation is ever present.

Keen Competition

In spite of low profits on certain types of defense business, competition for it is keen. Many companies could simply not afford not to be deeply involved in military development work because if it does not give them all the profits they would like to get, it still provides an opportunity to participate in the race of technology and to maintain their competence.

Systems for Commercial Use Expensive to Develop

The fact that for some companies profits on defense sales are lower than on commercial business does not mean that there are not areas in the civilian market where the going is tough. The development of large computers is a case in point. For years now, uncounted millions of dollars have been poured by several companies into the development of computers to challenge the supremacy of IBM. It is known that demand for computers will be among the most rapidly expanding markets for any electronic products in the future. It would seem logical to expect that this is a very profitable business. But while the state of the art has undoubtedly been greatly advanced by the concerted development effort, the investment has not yet paid off. Aside from IBM, the other companies have not found this business to be profitable.

The 1960 report of RCA speaks about the "continuing heavy investments in electronic data processing"; shying away from it "would have meant a forfeiture of substantial opportunities for increased growth and earnings in the years ahead." Without being unduly gloomy it is fair to say that it remains to be seen *how* great the pay-off on the investment will be. Already computers

have been conceived which would replace several of the existing kind and still only take up a fraction of their size.

High Cost of Rapid Obsolescence

This is a case where today's product of a company has to compete not only with those of other companies but also with its own future versions. At the same time, it could be argued that to some extent the market for computers—which is just beginning to open up—is developing more slowly because of the danger of early obsolescence. Thus, potential profits are already threatened with extinction at a time when development of the product which is supposed to create the profits has just been completed.

Other examples illustrating the same dilemma can be found in the commercial applied science field. Business connected with atomic energy has remained eminently unprofitable for most companies involved. This was more a matter of markets that never materialized and not necessarily a matter of technological progress shifting existing demand to more advanced products. The fate of systems for inventory control or merchandising information is similar to that of computers. Discussing the risks of research and development, the annual report of National Cash Register states:

"With technological changes occurring at an unprecedented rate it has become mandatory to reduce to a minimum the time between the original concept and the production of a new business system."

Light and Shadow of Technological Advance

The progress of technology is one of the most exciting phenomena of our time. It brings great benefits to man, it transforms society and stimulates the economy. But for individual companies participating in this development, the road is not always smooth. The foregoing discussion suggests three broad conclusions:

(1) The pace at which technology is advancing today may be so rapid that it cuts off profits long before they reach the amount which was envisaged as justifying the original outlay. Profit projections that were made before embarking on the investment may have been based on the assumption of a lower rate of technological advance than actually materialized.

(2) As a rule, customers are interested in buying a product and not the development efforts leading to it. This is almost exclusively true for civilian customers, and to a significant extent also for the military. The burden of development costs does not promise to become less. If, in addition, it should become customary that companies have to shoulder a greater part of military development outlays, a serious squeeze could come about.

(3) This situation is true primarily in connection with the development of complex systems requiring the expenditure of large amounts of money and time. No pay-off is possible unless the whole system is functioning. The development of products requiring less money and time is less subject to this kind of risk.

No Certainty of Monopoly Profits

These conclusions seem to contradict general experience and also the teachings of economics that innovations bring with them substantial "monopoly" profits. If this impression is created it is only apparently so. Development is not the same as innovation. Research and development may result in an innovation but more likely will mean the diligent application of scientific skill and technical know-how to a given project. While the mastering of highly complicated concepts may be involved, the talent to perform them is more ubiquitous than the flash of genius needed to create an entirely new concept. The former basically means selling high-priced labor; the latter is the foundation of an innovation.

With the fund of scientific knowledge and the extent of laboratory facilities available today, even a mediocre scientist is able to create results that look impressive compared to earlier conditions. But there are too many of them working in an equal environment that their results could easily be translated into monopoly profits. Thus the rapid advance in technology and science has a double face: it spawns an unprecedented number of changes and makes for a high rate of obsolescence at the same time.

In this connection another aspect may be considered briefly. If a company does have a comparative advantage over the rest, a patent affords protection only to the extent that it prevents imitation, but not advances by others. Many features are not patentable anyway, or companies may find it impractical to patent them. While this is the case, there are powerful forces at work to disseminate knowledge through a variety of channels: publications, professional associations and above all, migratory scientists. This process, no doubt, helps science, as such, more than companies selling its fruits.

Given this framework—a high level of competence all around—it appears conceivable that a high rate of technological advance can be achieved in a competitive economy with average profits for the participating companies fairly low. This is not to say that true innovations will not be made continuously. They will be the origin of many new companies and the beginning of fortunes as in the past. Some of these innovations will be made by outsiders or by chance. Some will be preceded by substantial R & D outlays. In the application of funds for this purpose, prudent management judgment will continue to play the paramount role by guiding and limiting the effort to the projects promising the highest and quickest return.

Meanwhile successful investors will consider expenditures on research a necessary evil like other costs. They will not like to see them rise without a corresponding increase in profits shortly thereafter.

Wm. St. Fund Names W. Conrad

SAN FRANCISCO, Calif.—Walter Conrad has been appointed a regional sales manager for the One William Department of Lehman Bros., national underwriter of The One William Street Fund Inc. Mr. Conrad will service investment dealers in eight Western states, including: northern California, Oregon, Washington, Utah, Idaho, Montana, Wyoming and Nevada. He will join Philip Conkle in the firm's San Francisco office, 155 Montgomery St. He was formerly with Dean Witter & Co.

Walter Conrad

Affiliated Underwriters

LITTLE ROCK, Ark. — Affiliated Underwriters, Inc. has been formed with offices at 1321 Lincoln Avenue to engage in a securities business. Officers are Louis E. McMahan, President; Steve O. Williams, Vice-President; and M. L. Watkinson, Secretary-Treasurer.

Beckett Joins Smith, Barney & Co.

John A. Beckett, former Assistant Director of the Bureau of the Budget, Washington, D. C., has been appointed Administrative Manager of Smith, Barney & Co., 20 Broad Street, New York City, members of the New York Stock Exchange, and treasurer of its affiliate, Smith, Barney & Co. Incorporated, it was announced by Charles B. Harding, senior partner of the firm.

Prior to his association with the Bureau of the Budget, Mr. Beckett, a certified public accountant, was midwestern regional director of management services for Arthur Young & Co. and, previously, treasurer of Spreckels Sugar Co. The author of several books on managerial accounting, Mr. Beckett has been a faculty member of the Alfred P. Sloan School of Industrial Management of the Massachusetts Institute of Technology.

A. G. Edwards New Branch

BARTLETSVILLE, Okla.—A. G. Edwards & Sons, members of the New York Stock Exchange, have opened a branch office in the Price Tower under the management of Elwood P. Russell. Mr. Russell was formerly local representative for Walston & Co., Inc.

Jack Kirsch Opens

FAR ROCKAWAY, N. Y.—Jack Kirsch has opened offices at 13-25 Dickens Avenue to engage in a securities business.

Sutro Bros. Names Jones Dept. Head

Sutro Bros. & Co., 80 Pine St., New York City, members of the New York Stock Exchange, has appointed James R. Jones—Manager of the municipal bond trading department.

F. L. Salomon To Admit Partner

Donald L. Vanek will be admitted to partnership in F. L. Salomon & Co., 29 Broadway, New York City, members of the New York Stock Exchange.

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The state and municipal bond market has been a rather desultory affair again this past week. While new issue volume has been moderate, investor interest has been but casual and although dealer inventory has been slowly increasing, new issue bidding has been relatively aggressive and competitive. The *Commercial and Financial Chronicle's* 20-year high grade bond yield Index shows very little change since last reporting. The average yield for these secondary market offerings is 3.277% as of May 24. A week ago this average yield was 3.261%. In terms of dollars this represents a quarter point selloff.

This slightly lower movement in the average is but the merest sympton of the trouble involved, both domestic and international, in the newspaper headlines. The wonder is that the bond market has functioned as normally as it has during these troublous weeks. It is certainly a tribute to the hard headed urbanity accumulated within the investment banking industry generally.

Gold Reserve Repeal Measure Sidetracked

Surely the industry withstood the strident attempts to repeal the official gold reserve requirement with fine aplomb. It is finally and generally resolved that hearings will not now be held on this piece of legislation. How this idea originally attracted the reported support of the President, the Secretary of the Treasury, many of our influential bankers and politicians as well as considerable editorial support seems very strange. Most monetary experts agree that repeal of the requirement, at least during this immediate period of unfavorable trade balance, might have been catastrophic. Fortunately good reason has prevailed, at least for the present.

Fed's "Nudging Operations" Stalled?

As indicated, the bond market and particularly the tax-exempt bond market has withstood the impact of this disturbing development and others, with but little apparent repercussion. Concurrently, the generally upsetting factors involved in Cuba, Laos, and Korea, with their financial ramifications as well as the unheralded budget problems inevitably building up in domestic affairs, are by traditional standards enough to seriously upset the bond market.

The financial balance has been fairly maintained by the Federal Reserve and this function alone is obviously an overpowering challenge. Keeping the channels of credit in well ordered ease seems job enough; nudging the long-term bond market higher adds complexities that are sure to be confounding. This latter problem is in a primary way already evidenced in that the longer term Treasury issues act in a less convincing fashion, to put it nicely, than any other phase of the bond market.

Wrong Approach

While international complications gather the headlines there are portentous happenings at home that bear importance to our tax exempt bond industry. But few of our states and municipalities seem able to comprehend the meaning of economy and as a result budgets are annually increasing. Many of our municipalities are already levying taxes that are close to confiscatory when related to the over-all tax take.

New Jersey now wants to balance an enlarged budget by soaking 150,000 commuters on the pretext that New York would return their income taxes to New Jersey, to be earmarked for better straps to hang on for these daily interestate travelers. This ingenious legislative plan will, of course, detract from New York State's revenues; derived from the Jersey commuters at the rate of $50,000,000 per annum. New Jersey would then tax 75,000 New Yorkers working in New Jersey to a total of about $12-$15,000,000.

We are entirely for the proposition that the railroads should be treated fairly by both states after all these years of inequity. Steps have already been taken but further relief is necessary. However, we take a very dim view of the current crop of schemes suggested in the perpetration of indulgent spending. It seems that the politicos will now go to unusual extremes in order not to immediately offend any large voting segment. Some of our highly rated state and municipal credits may soon attract less investor interest for their obligations as the taxpayer's sensibilities are progressively overlooked.

Recent Awards

On Friday, May 19, Hoboken, New Jersey, came to market with $2,545,000 general obligation (1962-1998) bonds. A wide divergence of price views existed among the several competing underwriting groups, with bids for coupons ranging from 3.95% to 4.20%. The high bid was submitted by the account headed by Salomon Brothers & Hutzler and including among others Reynolds & Co., Ladenburg, Thalmann & Co., Bache & Co., and Roosevelt & Cross. The bonds were scaled to yield from 2% to 4% for a 3.95% coupon. Thus far investor reception has only been moderate. About two-thirds of the bonds remain in account.

On Tuesday, May 23, Owensboro, Ky., awarded $25,000,000 electric light and power revenue bonds due Jan. 1, 1991, to the syndicate managed by White, Weld & Co. Included among the major underwriters were Glore, Forgan & Co., Merrill Lynch, Pierce, Fenner & Smith, Bear, Stearns & Co., Lazard Freres & Co., R. W. Pressprich & Co. and Blair & Co.

The proceeds from the issue which constitutes the major part of the $30,000,000 authorized by the Board of Commissioners of Owensboro, will be used principally to finance the construction of a steam electric generating station and for associated equipment and facilities. The essential element of security behind the issue is the agreement between the Kentucky Utilities Co. and the City of Owensboro that the former will purchase all the excess electric power of the plant upon completion not used by the city. The winning bid was 98.059 for a 3.90% coupon and the issue was reoffered at 99¼ to yield 3.9429%. It is difficult to estimate how this issue was received by investors due to members controlling all their bonds, but 40% sold would seem to be an educated evaluation.

Also on Tuesday, a syndicate headed by Blyth & Co. purchased through negotiation $17,000,000 Wisconsin State Public Building Corporation bonds. Included as majors in this group were the First Boston Corp., Lehman Bros., Drexel & Co., C. J. Devine & Co., Merrill Lynch, Pierce, Fenner & Smith, Inc., and Eastman Dillon, Union Securities & Co. This issue matured serially, 1965 to 1931 and a term maturity due 1991. The serial bonds were reoffered at yields of from 2.25% to 3.40% and the term bonds at a yield of 3.60%.

Proceeds from this highly rated issue will be used to construct state office buildings in Milwaukee and Madison and to capitalize interest on the loan for three years. Upon initial reoffering all the bonds were immediately sold.

Again on Tuesday, Riverside, Calif. awarded $4,600,000 Water revenue (1962-1986) bonds to the account headed by Blyth & Co. and including Eastman Dillon, Union Securities & Co., R. H. Moulton & Co., Paine, Webber, Jackson & Curtis, Weeden & Co., and others. This loan represented the first revenue financing by the city of Riverside. The proceeds from this issue will be used to purchase the assets of three mutual water companies which deliver irrigation water principally within the city. The issue, reoffered to yield 1.60% to 3.60%, was well received with the balance being about $500,000 at this writing.

Tuesday evening also saw the sale of $4,200,000 Jefferson County, School District No. R-1, Colo. (1964-1984) bonds to a syndicate headed by The First National City Bank of New York. Included as majors in this group are The Chase Manhattan Bank, Bankers Trust Co., Chemical Bank New York Trust Co., and Dominick & Dominick. The bonds were scaled to yield from 2.20% to 3.60%. Upon reoffering about 70% of the bonds were sold.

On Wednesday, Houston, Texas, sought bids for $17,225,000 various purposes limited tax bonds. The account managed by The First National City Bank of New York and including Drexel & Co., Harris Trust & Savings Bank, Morgan Guaranty Trust Co., Shields & Co., Continental Illinois National Bank and Trust Co. of Chicago and many others was the successful bidder for the issue. The bulk of the bonds ($15,125,000) maturing 1962 to 1981 were reoffered to yield from 1.60% to 100 for a 3½% coupon. The last five maturities were reoffered at dollar prices of 99½ and 99 respectively for the same coupon. A smaller issue of $1,600,000 bonds, due 1962-1986 were priced to yield from 1.60% to 4% for a 2% coupon. After the initial order period the issue was about half sold. The small $1,600,000 issue of 2% bonds was all sold out of account.

Caution Suggested

During the past week the Street inventory situation has changed but little. On May 24 the *Blue List* total of state and municipal bonds was $440,846,300; up from $423,116,000 a week ago. However, we are pressing an area that has repeatedly acted as a market deterrent. Dealers may do well to bow out on aggressive, perhaps overcompetitive bidding pending some improvement in the inventory picture.

Fortunately the new issue calendar is not heavy as scheduled for the next six weeks, slightly more than $500,000,000 of sealed bid items is presently listed. The negotiated issue calendar, remaining too sparse, is unchanged from last week.

Longer term state and municipal yields still appear to be attractive in relation to corporate and government bond yields. Although political and economic factors conspire toward market uncertainty, it appears to us that thoughtfully priced issues will meet with favorable investor response at this general market level.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978–1980	3.60%	3.45%
Connecticut (State)	3¾%	1980–1982	3.40%	3.25%
New Jersey Highway Auth., Gtd.	3%	1978–1980	3.25%	3.10%
New York (State)	3%	1978–1979	3.25%	3.10%
Pennsylvania (State)	3⅜%	1974–1975	[illegible]	[illegible]
Vermont (State)	3⅛%	1978–1979	3.25%	3.10%
New Housing Auth. (N. Y., N. Y.)	3½%	1977–1980	3.30%	[illegible]
Los Angeles, Calif.	3¾%	1978–1980	3.70%	3.55%
Baltimore, Md.	3¼%	1980	3.35%	3.25%
Cincinnati, Ohio	3½%	1980	3.35%	3.25%
New Orleans, La.	3¼%	1979	3.65%	3.50%
Chicago, Ill.	3¼%	1977	3.60%	3.45%
New York City, N. Y.	3%	1980	3.55%	3.45%

May 24, 1961 Index=3.277%

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

May 25 (Thursday)			
Grand Forks Indep. S. D., N. Dak.	1,075,000	1963-1980	11:00 a.m.
Huntington U. F. S. D. 4, N. Y.	1,775,000	1962-1990	2:00 p.m.
Huntsville, Ala.	1,500,000	1963-1990	11:00 a.m.
Matawan Township Sch. Dist., N. J.	2,375,000	1962-1982	8:00 p.m.
Oceanside Harbor District, Calif.	4,500,000	1965-1996	Noon
Salem, Mass.	1,520,000	1962-1981	11:00 a.m.
South Davis Co. Imp. Dist., Utah	1,500,000	1968-1991	8:00 p.m.
May 29 (Monday)			
Du Page County Sch. Dist. 41, Ill.	1,350,000	1963-1979	7:30 p.m.
Murray State College, Ky.	1,400,000	1962-1986	11:30 a.m.
Wicomico County, Md.	1,800,000	1969-1981	Noon
May 31 (Wednesday)			
Fort Worth, Texas	7,970,000	1962-1986	2:00 p.m.
Fort Worth, Texas	1,600,000	1962-1986	2:00 p.m.
Fort Worth, Texas	1,000,000	1965-1990	2:00 p.m.
Hardin-Jefferson Cos. S. D., Texas	1,001,000	1962	7:30 p.m.
Lafayette Parish Sew. Dist. 1, La.	1,452,000	1962-1991	4:00 p.m.
Paris Indep. School District, Texas	1,500,000	1962-1986	8:00 p.m.
June 1 (Thursday)			
Camden County, New Jersey	1,655,000	1962-1975	2:00 p.m.
Coventry Local Sch. Dist., Ohio	1,025,000	1962-1981	Noon
El Toro Water District, Calif.	1,900,000	1963-1995	10:00 a.m.
Franklin, La.	1,500,000	1963-1981	7:00 p.m.
Huntington Central S. D. 6, N. Y.	1,275,000	1962-1991	2:00 p.m.
Los Alisos Water District, Calif.	1,400,000	1963-1995	10:00 a.m.
Louisiana St. Bond & Bldg. Comm.	14,000,000	1962-1986	11:00 a.m.
Maricopa Co. S. D. 210, Ariz.	3,300,000	1967-1977	11:00 a.m.
Monroe County Water Auth., N. Y.	17,000,000	1965-2001	2:00 p.m.
Moulton-Niguel Water Dist., Calif.	6,700,000	1963-1995	10:00 a.m.
Richland Co. S. D. 1, S. C.	1,500,000	1963-1983	Noon
Sacramento Mun. Util. Dist., Calif.	30,000,000	1966-1999	11:00 a.m.
Swenney Indep. Sch. Dist., Texas	1,000,000	1962-1971	7:30 p.m.
Westfield, Massachusetts	2,225,000	1962-1986	11:00 a.m.
Ysleta Indep. School Dist., Texas	1,000,000	1962-1980	7:30 p.m.
June 2 (Friday)			
Brazoria Co. Road Dist. 35, Texas	1,000,000	1967-1981	10:30 a.m.
June 3 (Saturday)			
Arizona State College	1,000,000	1964-2001	10:00 a.m.
University of Arizona	2,500,000	1963-2000	10:00 a.m.
June 5 (Monday)			
Coachella Valley Col. Dist., Calif.	3,500,000	1964-1986	10:00 a.m.
Indian Hill Vil. S. D., Ohio	1,925,000	1962-1981	Noon
Maricopa Co., Glendale USD, Ariz.	2,900,000	1961-1977	11:00 a.m.
Orange, Florida	4,500,000	1962-1981	1:30 p.m.
University Heights, Ohio	1,000,000	1962-1981	1:30 p.m.
Washoe County, Nev.	2,150,000	1964-1984	10:00 a.m.
June 6 (Tuesday)			
Clifton, New Jersey	2,749,000	1962-1986	8:00 p.m.
Estero Mun. Imp. Dist., Calif.	2,300,000	1961-1986	11:00 a.m.
Milwaukee, Wisconsin	10,000,000	1962-1990	10:30 a.m.
Nassau County, New York	19,731,000	1962-1990	Noon
Newburgh City Sch. Dist., N. Y.	2,232,000	1962-1981	3:30 p.m.
Ohio (State of)	32,000,000	1962-1972	Noon
Phoenix, Arizona	6,000,000	1964-1983	10:00 a.m.
Portland, Maine	1,275,000	1962-1981	-------
Tamalpais Union High S. D., Calif.	3,000,000	1963-1986	1:00 p.m.
Warren Woods Pub. S. D., Mich.	1,560,000	1963-1987	8:00 p.m.
Waterloo, Iowa	1,000,000	1962-1976	7:30 p.m.
June 7 (Wednesday)			
Cook Co., Wilnette S. D. 39, Ill.	2,250,000	1962-1980	8:00 p.m.
Hamilton, Ohio	1,000,000	1962-1981	Noon
Hempstead U. F. S. D. 23, N. Y.	2,465,000	1962-1991	1:00 p.m.
Oshkosh, Wisconsin	3,125,000	1962-1981	11:00 a.m.
Stamford, Conn.	3,4[illegible]6,000	1962-1981	11:00 a.m.
University of Missouri	2,050,000	1964-2001	11:00 a.m.
June 8 (Thursday)			
Albuquerque, New Mexico	4,753,000	1962-1981	10:00 a.m.
Albuquerque Mun. S. D., N. Mex.	3,750,000	1962-1966	10:00 a.m.
Cuyahoga Heights, Ohio	1,125,000	1962-1966	Noon
Howell Township Sch. Dist., N. J.	1,342,000	1962-1980	8:00 p.m.
Middle Township Sch. Dist., N. J.	1,050,000	1962-1982	8:00 p.m.
New York City, New York	60,400,000	1962-1986	11:00 a.m.
Santa Clara County, Calif.	20,000,000	1962-1986	11:00 a.m.
June 10 (Saturday)			
Charleston, West Virginia	4,000,000	-------	-------
June 12 (Monday)			
Akron, Ohio	5,000,000	1962-1981	2:00 p.m.
Carlsbad Mun. S. D., N. Mex.	1,100,000	1962-1971	10:00 a.m.
San Francisco, Calif.	11,275,000	1962-1976	-------
June 13 (Tuesday)			
Connecticut (State of)	44,510,000	-------	-------
Denton, Texas	5,200,000	1963-1990	10:30 a.m.
East Brunswick Tp. S. D., N. J.	1,918,000	1962-1978	8:00 p.m.
Vancouver, Washington	1,50[illegible],000	1962-1979	7:30 p.m.

Tomorrow Is Now in The Electronics Markets

By Richard T. Silberman, Executive Vice-President, Electronics Capital Corp., San Diego, Calif.*

Mr. Silberman maintains "this decade will be the most intense marketing-wise that the electronic industry has ever witnessed." He reminds most of us of our skepticism and lack of imagination about the wonders of electronics 5 and 10 years ago; agrees with the stock market's high appraisal of electronic companies; and avers we stand on the threshold of new developments with as great an impact as the advent of the transistor—"quantum electronics." The writer warns of of the much faster time scale in accomplishing technical achievements and the need to sell today's products successfully in order to feed the research to bring into fruition tomorrow's products. Chartered are the challenges facing marketing people who come in where research leaves off. Mr. Silberman thinks we should, for example, sell to Iron Curtain countries.

Many events influence an industry. The challenge of the investor and marketing man alike is to detect these influences as they are appearing and to react and ride with fundamental changes as they occur. The electronic industry today stands on the threshold of a period of fundamental change. Unique opportunities are presenting themselves which will allow marketing men to lead their companies to competitive advantage.


Richard T. Silberman

We hear many explanations of marketing and its role in technical industry. One of the most important functions of a marketing man, but one which is seldom mentioned, is his internal selling responsibility. The marketing man has a principal responsibility to weigh all influences which affect the change within an industry and aggressively bring to bear his own judgments upon management to influence a market oriented environment from the top to the bottom of technically oriented companies. Time and time again we have seen being there "firstest with the most-est" is not always an accident but, more frequently, it is premeditated.

Intense Marketing Decade

At this period, where we hear many new ideas about bringing plans of salesmen's compensation right down to the point of the order, creating new systems of independent representative commissions which move up and down with factory as well as with the sales organization's profit, and sales programs with commission readjusted upward with volume, a general re-definition of the responsibilities in the total sales and marketing effort seems appropriate. One can only say that, among other things, this decade will be the most intense marketing-wise that the electronic industry has ever witnessed.

Many of us who have participated and perspired through this industry's growth in the 50's frequently have been so concerned with our own areas of activity that we have not fully viewed the electronic horizon enfolding around us. I read the comments of industry leaders of the "boom 60's"; I hear of 101 different ways of adding two and two and getting four and one-half to prove that the 60's will be a dynamic period for electronics for one reason or another. The 50's have been called many things; but, they surely were an era which created literally tens of electronic millionaires.

Stock Market Evaluation

The investment community has placed prices on electronic companies that were beyond the imaginations of most of us a decade ago. The market value of Hewlett-Packard today is approximately $473 million. The market value of the New York Central and the Pennsylvania Railroads combined is only $320 million. New York Central's sales are 11 times Hewlett-Packard's. Its fixed assets are 32 times Hewlett-Packard's. It is only fair that I also mention that the market value of Varian is approximately $200 million, which we might compare to the $126 million market value of the New York Central.

In my opinion the stock market is correct in its appraisal. The stock market is really not a market of stocks but the manifestation of judgments — yes, many emotional judgments—of investors large and small from all walks of life. History tells us, however, that the market has a way of sensing fundamental change. Today the market is moving in anticipation of the basic change of our nation from a heavy equipment manufacturing country to a research and development oriented nation.

When one puts into context the influence of the industry's development combined with the catalytic action of literally unlimited financial resources for technical company development, one underlying factor affecting every policy decision by management comes into focus: How and when to use a "time technical advantage" and what to charge for it. This is clearly reflected as we think of the development of the transistor and the total revolution that it has caused within the entire industry.

It is difficult to envision how we analyzed or interpreted events as they occurred five or 10 years ago. Let us search our conscience. How many were skeptical of the transistor as a component? How many truly visualized or comprehended the full and potential impact this non-thermonetic device would have on our industry? How many companies built transistor devices prematurely with no idea of the real end use or need? And, how many of their competitors brought similar transistor devices on the market to meet the competitor's published specifications when, in fact, the competitor's item itself did not fulfill the specifications? How many sales managers even today are inventing slogans, ads, and questionable "sound buying reasons" in an attempt to sell tube equipment because their engineering or research departments did not react to the market pressures for transistorized devices.

This component, literally nonexistent 10 years ago, has made possible equipment that is tougher, smaller, cooler, and quieter. Probably of greatest significance, however, is the way in which it has, in itself, created markets. At the extremes of the commercial and consumer spectrum we see that a multimillion-set-per-year market for portable transistor radios has evolved. In the past decade transistor logic blocks have virtually compressed the time from "the steam age" to "the space age" of the computer industry into a short decade. The development of the transistor brought with it the creation of new companies to build not only transistors and end products and to glue systems together but, also, to slice, dice, and grow crystals.

Sees Great Developments

Today, within the electronic industry, we stand on the threshold of new developments that will have as great an impact on our

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Tomorrow Is Now in The Electronics Markets

Continued from page 15

industry and be froth with as many challenging marketing problems as the advent of the transistor—"quantum electronics." The rapidity with which new technical developments emerge from the laboratory to the customer in our time means that we are in an enviable position both as a participant and as an eye-witness to history; and, we should all have fresh memories with which to plan, interpret, and develop our own participation in the "quantum electronic age" of which we are now literally a part. I have read and heard with some curiosity statements by the sage leaders of the various segments of our component industry indicating that, in their opinions, molecular circuits and components, while feasible, are really nothing to be concerned about. This is reminiscent of the glass blowers and filament diddlers of the early 50's.

Components have always been the fence posts along the frontier of electronics technology. By now no one should doubt that materials are fundamental to real advances in components. The past decade has not only taught us to build high-quality transistors cheaply; but, probably of equal importance, we have learned how to rearrange molecules of matter as readily as we previously plugged tubes in and out of their sockets. In the field of molecular circuits and components we are not starting from scratch, as was the case with the transistor, but, literally, on high. Experience, competition, and need are compressing time. Technical achievements of equal complexity, which in the first half of this century were evolved over 25- and 50-year spans and in the 50's evolved in the course of a decade, will surely be accomplished in three to five years in the 60's.

Sales and Faster Research Results

There is no question but that considerable emphasis must be placed on selling today's products and to generating substantial profits to feed the research necessary to bring to fruition products that embody these new technologies. It seems to me, however, that one must always keep in mind the new, much faster time scale. I have noted electronic industry management has always been faced with the problem of a proper judgment and interpretation of the "how and when to use a time technical advantage." The need for decisions is coming fast and furious and the time for decisions, shorter and shorter. It is probably for this reason that I often wonder if we in some of our existing companies lack the confidence to bolt forward and develop and exploit substantial changes in technology, many of which are in our own or our neighbors' laboratories. Regardless of whether or not I am right in my own feeling that in certain areas we should be moving with greater speed by trying to develop techniques for shortening the gap from R and D to product, one must, as he stands back from the day-to-day problems of selling existing products, agree that "quantum electronic components," like the transistor, will create new markets.

No End to Projects

Masers and parametric amplifiers are words found in every technical journal. Many are working in the field of electroluminescence. There seems to be no end to projects in the field of advanced power sources. In the period between the present and the development of a completely functional molecular circuit, there surely will be tens of thousands of molecular resistors, condensers, and controls built and sold. The whole field of thin films must spark the imagination of any marketing man. The ability to lay down a ferromagnetic film a few angstroms thin on a mylar base and call it digital recording tape has so many advantages over present practices of literally gluing a magnetic surface onto a mylar film and sanding, grinding, and spraying. What the transistor did to tube computer logic will seem mild compared to the effect of thin film memories, molecular logic, and photo conductive displays.

It is very easy to end a presentation of this type on a rather philosophical note and merely say, "Go sell like hell!" I feel a certain license, however, no longer being involved with the realities of these problems (meaning specifically, not having to knock on doors and convince someone to exchange a million dollar purchase order for a bagful of molecules). Consequently, I am not reluctant to stick my neck out and add on, as an addendum, a few specifics. I think there are several factors which this industry and the marketing men in particular will have to take into account and cope with before the decade is over.

What Marketing Must Consider

First, while space is on the tongue of everyone and that which used to be our private stock in trade (the code name of the next major government program) can now be read for a dime in every daily newspaper, it is more evident than ever that the total expenditures for all space programs in the 70's will probably exceed the combined cost of the atomic bomb and ICBM programs. The challenge of space to this industry seems to be concentrating on specific products and projects which will offer some modicum of profit along with the public relations' value to the financial P. R. Department. The conquest of space offers tremendous marketing opportunities. Competition demands that products are developed that create markets and applications, products that can be spaced in with proprietary technical advantage and resulting sales insurance.

Secondly, in the same way Texas Instruments, Transistron, and Fairchild Industries can grow up in a transistor era, one can be sure that as many, if not more, healthy and profitable companies can and will be developed in the quantum electronics era. New companies specializing in a particular field of endeavor can and do create competitive problems for larger companies. There will be greater pressure on marketing men to properly interpret and influence their own managements to develop techniques for shortening the time cycle from "new idea" to "new salable, profitable product."

Calls for Red Bloc Sales

Foreign markets have been, during the past five years, of increasing importance to this industry. One can see a tremendous market expansion for industrial electronic products, particularly in Western Europe. Russia and iron curtain countries may today represent a small market to Western European manufacturers; but, they surely are one of the largest potential markets for these companies' products. We are long overdue for a complete revision of our trade policies with iron curtain countries. Many Western European electronic companies are already selling substantial amounts of equipment behind the Curtain. World competition is too great to automatically exclude major segments of buying power from the markets of American manufacturers. This is a very involved and complex problem. These problems are not solved overnight. The Russians have been methodically establishing deep ties with Western European manufacturers for many years and are now well ahead of us in this economic trade race. We should demand a program of action and should not wait until we are shocked into motion by an "economic Sputnik."

Today the United States has a surplus of risk capital. Citizens are eager to invest in and support the endeavors of technical industry. Generally speaking, the technical fraternity—thanks to heavy government subsidy, but principally as a result of tremendous ingenuity—has given this nation an unsurpassed technical reservoir of basically new and sound technical ideas. The electronic industry in particular has never had at its disposal so many new materials, new products, and new markets to fuel new economic growth. True, the electronic industry may be based on research; but, I am convinced that upon the shoulders of the marketing men rests the responsibility and the burden to drive and inspire the industry to the optimum use of the free world's time technical advantage.

*An address by Mr. Silberman before the Western Electronic Manufacturers Association's National Marketing Seminar, San Diego, Calif.

Ciancio V.-P. of Albert Frank

The election of Silvio Ciancio as a Vice-President of Albert Frank-Guenther Law, Inc., 131 Cedar Street, New York City, national advertising and public relations agency, has been announced by Howard W. Calkins, Chairman of the Board.

Mr. Ciancio is associate art director of the agency, a position to which he was appointed in 1948. He joined the AF-GL staff in 1925.

C. R. Conkling With Meade Co.

Meade & Co., 27 William Street, New York City, has announced the appointment of Charles R. Conkling as head of its syndicate department.

Charles R. Conkling

Mr. Conkling, who assumes his new position May 22, comes to Meade & Co. from the State Bank of Long Beach, where he was Vice-President and Director since June, 1960. He also served as Vice-President of the Colonial Trust Company, after entering the banking field in 1929 with the Bank of Great Neck, N. Y.

He is a member of the National Panel of Arbitrators, American Arbitration Association.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Stocks found a new excuse to take a rest this week when the prospect of a Supreme Court enforced divestment by Du Pont of 63 million shares of General Motors chilled investment sentiment and killed off a bid by industrials to explore an area never before seen in history.

The industrial portion of the market was bubbling along nicely when the Supreme Court ruling came along. Up to here the chemical giant had successfully warded off attempts by the government to make it dispose of the huge bundle of GM shares it has held for more than 40 years. But the highest court held otherwise.

The ruling hit the news as both GM and Du Pont were pushing to new highs for the year, and both fell back abruptly. Despite the fact that the court gave 10 years for the complete disposal, the prospect of nearly $3 billion of GM shares being dumped on the market was hardly cheering.

The industrial average had reached 710 prior to the announcement, but wasn't able to show in that area by the close, so that the official high-water mark is still the 705 on which the index ended last week.

There was little dismay over the performance, particularly because the list was entitled to a rest, and such a respite is more-or-less traditional prior to Memorial Day. It is only then that the summer rally is supposed to take over and extend the recovery.

Impact of the Warnings

All the commotion over government investigations of trading, and warnings against the high level of unwarranted speculation in new and low-priced issues, was starting to take hold and volume dried up noticeably, particularly on the American Stock Exchange which was the prime target of the initial investigations after two of its specialists had been expelled for running afoul of the law.

In fact, turnover reached a low since mid-February which, considering the reactionary tendencies, was certainly no sign of widespread liquidation. And where there was somewhat urgent selling, as in General Motors in which more than a third of a million shares changed hands in two sessions, the retreat was thoroughly orderly.

The bigger disappointment in these two blue chips turning reactionary was that it killed off, at least temporarily, something of a switch in investment interest from the glamour items to the old-line favorites. This trend, widely predicted, had been counted on to keep the industrial average tilted higher into virgin territory.

The business background had also favored the old-line bellwethers since recovery from the recession was growing more pronounced. Sentiment was still highly optimistic, so the pause was still considered merely temporary.

Du Pont Tax Worries

The irony was the pressure on Du Pont which, in past years, had been known to spark investor interest on the prospect of its holders getting a spin-off of the General Motor shares. The unfavorable element now is the uncertainty of the tax status. Unless the Congress takes prompt action to alleviate the tax penalty, the Du Pont holders will be liable for ordinary income on any such distribution.

Even in the case of a low-bracket taxpayer, some unofficial computations held that for a 10-share holder of Du Pont to get his due of 13.7 shares of GM, would entail a tax bill of $189 to get his $630 worth of GM shares. In many cases this bill would be met only by selling some of the transferred GM shares to add that much more to the market weight on the stock.

Attitudes toward Du Pont, obviously, would change for the better if the court ruling forces a tax relief bill out of the pigeonholes where such measures have ended up in the past.

Rails Still Lag

Railroads showed little investment favor despite the signs that the economy was perking up considerably and, consequently, were still the high-yield items around. Union Pacific, for one, was able to show a modest improvement in net profit last year which, for most carriers, was a rough year. Its traffic, despite the recession, was less than 4% below the peak traffic recorded in 1956. Helping along was a 14% increase in its earnings from oil and gas operations, an activity that before taxes added some $22 million to the company's income.

With an indicated yield of 5%, Union Pacific shares are definitely above-average in the return they offer, whether as a railroad or an oil company. And the ability of the road to hold earnings to 57 cents a share for this year's first quarter, against 55¢ in the same period a year ago, was largely lost on investors who were concentrating on the poor comparisons being shown by industry generally in this year's first quarter. By conventional yardsticks, there hasn't yet been any investor appreciation of the fact that Union Pacific is a high-quality equity of proven earnings and dividend capability that stands to share fully in the improving business outlook.

A Retailer's Difficulty

A leading instance of disappointing earnings is Montgomery Ward which, over the years, has faced both internal and external problems that have whittled this one-time investment favorite down to a neglected status. With consumer expenditures holding up well, Montgomery Ward's problems are mostly internal and, as such, can be solved eventually.

As some of the cynics have noted about merchandising companies, if one management isn't able to solve the problems there is always another group around to take over. In fact, after Montgomery was dominated for years by one conservative management, an unsuccessful proxy fight nevertheless forced a management shakeup.

Since then the story has been one of trying to modernize, eliminate inefficient units and expand to maintain its place in the merchandising picture—all of which necessarily added to expenses and kept the company's earnings from reflecting the improvements being made. When the turn comes, however, the benefits could be substantial if the groundwork has been well laid. In any event, the company represents value, with the book value half again the market price of the shares.

Electric Storage Battery for more than half a dozen years showed poor operating results until it tackled the problem, and by last year the recovery was apparent with sales reaching record levels. There is every probability that the company will do better this year without any significant help yet from the fuel cell development work in which the company has a large stake. The latter could in time be the dramatic "growth" element in the company.

An Earnings Gainer

Ronson Corp. is one company that was able to keep its earnings uptrend intact through the depression, and record sales are envisioned for this year. From a company that once was almost entirely depending on lighters, this activity now furnishes only a shade over a third of sales, while other activities have been enlarged, including work in missile parts and rare earths. For the consumer trade it has a new shaver which has been introduced only recently to help augment its 1961 sales. The company estimates 1961 earnings at $1.50, up from last year's $1.29 and the $1.01 reported in 1959. Where some of the spectacular market issues are priced at anything from 40-times earnings and up, Ronson is still available at a conservate 13 times this year's expected results.

[*The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.*]

Schroeder Joins Mannheimer Co.

ST. PAUL, Minn. — Dennis B. Schroeder has joined Mannheimer-Egan, Inc., First National Bank Building, as a specialist in municipal securities. Mr. Schroeder was formerly with Juran & Moody, Inc.

Madison Fund Names de Veer

Madison Fund Inc. announced the election of Robert K. de Veer as Vice-President. Mr. de Veer, who recently joined the firm, was previously with Morgan Guaranty Trust Co.

N.Y.S.E. Raises Listing Criteria

The Board of Governors of the New York Stock Exchange has raised original listing standards for common stock by 25% and revised criteria for consideration of continued listing accordingly.

Exchange President, Keith Funston declared the Board's action was taken after a review of existing criteria in maintaining fair and orderly markets, and the substantial appreciation in securities values since the time of the last such changes in 1958.

"The Exchange's objective," Mr. Funston said, "is to continue to provide the public with the foremost auction market for securities of well-established companies in which there is a broad interest."

Under the new ruling, standards for a company seeking an original listing include:

A minimum of 500,000 common shares outstanding, exclusive of concentrated or family holdings, up from 400,000.

Total market value of $10,000,000—an increase of $2,000,000—for the outstanding common shares or net tangible assets applicable to the common stock.

The Exchange said its studies showed no need to revise other original listing guides, which call for at least 1,500 round-lot holders and demonstrated earning power under competitive conditions of $1 million annually, after all charges and taxes.

As for companies whose common stocks are already listed, Mr. Funston said the Board will consider suspension or delisting if an issue is held by less than 300 stockholders of record after substantially discounting odd lots (the previous figure was 250 holders); if shares, outstanding, exclusive of concentrated or family holdings, total less than 100,000 (previously 80,000); and if the total market value of common shares outstanding, exclusive of concentrated or family holdings, is less than $1,000,000 (previously $500,000).

Two criteria for continued listing will not be changed. Minimum aggregate market value of all shares outstanding, or net tangible assets available for common stock, will remain at $2,000,000, and average annual earnings for the most recent three-year period will remain at 10% of this, or a $200,000 minimum.

Mr. Funston emphasized that the factors involved in continued listing of a security on the Exchange cannot be applied automatically or measured by a mathematical formula. The Board, he said, may act in any situation when it feels that a security is not suitable for continued listing. In considering a specific case, the Board would give weight to all factors, including any current information supplied by the company.

Other general guides for consideration of companies for listing are that they be going concerns or successors to going concerns; the degree of national interest in the company; its relative position and stability in the industry; and whether it is engaged in an expanding industry, with prospects of at least maintaining its relative position.

Mr. Funston noted that in the event that suspension or delisting of a company's common stock is considered, the Board also considers similar action regarding other securities of that company listed on the Exchange.

Jack Marks Opens

BRONX, N. Y.—Jack Marks is engaging in a securities business from offices at 938 East 163rd Street.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

On Oct. 5, 1960, Candidate John Kennedy said: "My opponent promises if he is successful, to go to Eastern Europe, to go perhaps to another summit, to go to a series of conferences around the world. If I am successful, I am going to Washington, D. C., and get this country to work."

So far Mr. Kennedy has been to Canada, he is going to Paris to meet President De Gaulle and then to Vienna to meet Premier Khrushchev and probably to Bonn to meet Chancellor Adenauer.

The greatest problem he and Khrushchev will have is how to bring the nuclear test discussions to fruition.

The heart of their discussion is expected to be political; most notably, how to resolve Soviet insistence upon a veto in the guise of tri-partite administration of any such treaty.

But even if the President and Khrushchev can work out this and other political problems, the treaty faces more hurdles before it can become reality. As a recent editorial in the journal "Science" notes, "Among other matters still to be settled are key scientific disputes concerning the design of an inspection system that will deter cheating without permitting espionage."

These disputes include how many control posts are necessary, who is to head the posts and on-site inspection teams, how many on-site inspections can be made, how should they be managed, when should inspection begin, and what determines a suspicious event requiring inspection.

Why it is being asked, is the Soviet Union frustrating progress at the treaty table now when there was promise of success earlier? The best guess of American observers, and admittedly it is a guess, is the Soviet Union has decided inspection and control are too highly priced for the political gain that may accrue.

Historically the Soviet Union has jealously guarded its closed society and counted its secretiveness as a great political and military asset. Initially the reasoning goes, the Soviet Union thought inspection and control would be a simple matter. Now they find it is a complicated affair that will bring Westerners (spies the Soviet has called them) traveling through and living in Mother Russia.

The key, and at present, the only techinique for detecting underground explosions—natural or man-made—is to pick up shock waves produced in the earth. This is seismic detection, the same technique now used to record earthquakes. But much is still unknown about seismic waves. And what is known can be confusing.

Basically the problem is how to distinguish between earthquakes and secret underground nuclear weapon tests. This is further complicated by the fact that both the Russians and the Chinese Communists detonate thousands of tons of conventional high explosives for construction projects.

Experts here are agreed that seismic detection alone is inadequate. A number of detected but suspicious events, they argue, must be subject to follow-up, on-site inspection. This implies a flow of Western inspectors across Soviet territory and is one of factors that causes the Soviets to cry espionage.

Briefly, the Soviets insist that events become eligible for on-site inspection only if they can be pinpointed with a 95% probability within the 200 square kilometer control post area (roughly the size of the District of Columbia). The West says it can't be that precise with even today's most sophisticated geophysical detection.

These are some of the technical challenges. There are others. Each is complex, often subtle, and sometimes seemingly trivial. But each, too, demands resolution before a treaty can be effected.

Bosworth, Sullivan To Name Officer

DENVER, Colo.—Bosworth, Sullivan & Co., Inc., 660 Seventeenth Street, members of the New York and Midwest Stock Exchanges, on June 1 will appoint James C. Cohig Assistant Secretary of the firm.

Phila. Secs. Co. Names Two

PHILADELPHIA, Pa.—Philadelphia Securities Company, Inc., 1616 Walnut Street, members of the Philadelphia-Baltimore Stock Exchange, announce the election of Richard E. Penniman as Vice-President and Miss Mary E. McDonald as Treasurer.

Richard E. Penniman

Mr. Penniman was formerly Secretary and Purchasing Agent of a large Philadelphia-based construction company.

Miss McDonald has been associated with the firm for the past five years.

Manley, Bennett & Co. Adds Two to Staff

DETROIT, Mich. — Manley, Bennett & Co., members of the New York and Detroit Stock Exchanges, have announced the appointment of John P. Worcester and Henry Hopkes as registered representatives.

Mr. Worcester has been connected with the brokerage firm of Charles A. Parcells & Company for the past five years and Mr. Hopkes has been sales manager for the No-Sag Spring Company.

Both men are located in the Manley, Bennett Buhl Building office.

Chicago Analysts to Hear

CHICAGO, Ill. — The Investment Analysts Society will have J. A. Volkober, Executive Vice-President of Hammond Organ Co., as guest speaker at their luncheon meeting May 25 at the Midland Hotel.

To Form Shelare & Co.

A. A. Shelare, Jr. & Co., Inc. will be formed as of June 1 with offices at 44 Wall Street, New York City, to engage in a securities business. Officers will be Alphonse A. Shelare, Jr., member of the New York Stock Exchange, President and Treasurer, and J. Gregory Gavin, Secretary. Mr. Shelare has been active as an individual floor broker.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

Even though the recovery of the economy appears to be definitely under way, it is not expected in some money market circles that this will bring with it a pattern of interest rates similar to what was witnessed in 1958/1959. It is believed that the recovery needs for funds will be considerably less than was the case in the previous upturn in business. The demand for funds for housing, for consumers loans and new money corporate spending should be smaller. In addition, a substantially lower Federal deficit is indicated.

Accordingly, it is believed that monetary policy will remain relatively easy in order to foster a program of economic stability as and after the business recovery gets under way. Restrictive monetary measures are likely only if boom conditions should develop again. Therefore, it seems as though existing monetary policy will continue for the foreseeable future.

Reaction Natural

The recovery which is under way in the economy, and the sharp uptrend in prices of common shares, have tended to create a feeling of some concern in the market for governments and other interest bearing obligations. There is no question but what a minor hesitation in quotations of bonds was to be expected since prices of most of these obligations had gone ahead rather rapidly.

In addition, the bringing in of dealers and traders into the government market does of itself mean that prices will be more susceptible to movement in both directions, especially when there is a tendency for money to tighten a bit during financing or settlement periods or when the powers that be are not too active in their open market operations.

Inflation Dead?

The action of the equity market is also another force that appears to have an important influence on the trend of the bond market since a strong upward movement in prices of common stocks seems to instill a feeling of caution among those who have been or still are buyers of fixed income bearing obligations. Even in spite of the "overall" open market policy which appears to be doing a very satisfactory job for the time being and probably for the foreseeable future, there is a hesitancy among bond buyers when the equity market is on one of its splurges on the upside again. This is attributed to the psychology which develops from such a sharp upward movement of common stock prices because this uptrend in prices of equities generally means to these institutional investors that the boom will soon be here and with it will come higher interest rates.

Even though there is past history to prove this to be the case, there are more than a few money market specialists who believe that in spite of the bullish action of equities there is no boom in the making and neither is there likely to be a recurrence of the inflation which was so prominent not too long ago.

Inflated Equities

Because the course of the equity market seems to play a very important role in the thinking and policies of those who have funds to invest, it would seem as though a reversal in the trend of common stocks should have at least a semblance of favorableness as far as bonds are concerned. Also, there is more than a passing amount of opinion in the financial area that the only place in which there is inflation now is in the equity market itself.

It is being pointed out that price earnings ratios are so high in many instances for common stocks, and the current returns are so low, that equities are in many cases discounting not only a prospective boom but also booms which have yet to be predicted. In addition, there appears to be no argument but what there is a considerable amount of speculation going on in common stocks in spite of the high margin requirements. Also, hedging against the talked of inflationary developments of the future through the purchases of common stock may yet prove to be very costly ventures since prices of equities will run into a ceiling sooner or later.

Advance Refunding Prospect

Another leap frog "future or advance refunding" which is being talked about in the financial district has put some money market specialists on the sidelines for the time being. This one is supposed to involve the nearly $7 billion of the 2½% bonds which come due in November. It, however, is only a temporary money market factor, since the open market policy currently in operation should make such an undertaking attractive to those who have this late 1961 maturity.

Fiberglass Firm Stock Offered

Vestal Securities Corp. is offering 37,043 shares of common stock of American Molded Fiberglass Co. at $4 per share.

The corporation's main activities encompass the production and development of fiberglass swimming pools. It also manufactures on a contract basis, small automobile trailer bodies. The plant is located at Paterson, N. J.

The Economy Does Not Need Stimulus to Grow Faster

By Alan H. Temple,* *Vice-Chairman of the First National City Bank, New York City*

New York banker critically examines the solutions proffered in one of the two current diametrically opposed views regarding the economic outlook. He demurs on setting arbitrarily chosen high rates of growth and, instead, advises greater concern be expressed about achieving price stability and applying what is economically sound for us externally to ourselves internally. Thus, Mr. Temple would "rely less on money policy, more on fiscal and tax reform, and more on concern for real wages rather than money wages." The banker rejects the statement that our problem is chronic slack or stagnation in calling for "release from the tax-wage squeeze on enterprise."

Two views of the economic outlook for the decade of the '60s now seem to be struggling for ascendency. The optimistic view is embodied in the phrase, "The Golden Sixties," which sees in an expanding population and work force, rapid family formation and immense technological progress, a golden hope and promise of a decade of vigorous prosperity. The contrary view is embodied in the opinion that America faces a problem of chronic slack, inadequate growth and excessive unemployment—that the economy it tired, and that the seeds of dynamism and growth sprout only in the public sector or under the stimulus of government action. Somewhat similar although more exaggerated opinions, called by an eminent student "the bogey of economic maturity," were advanced during the Great Depression. They proved to be a child of the times and in retrospect we wonder at the attention they received. The importance of their recurrence, however, is not to be belittled, for they are held in high places and they exert great influence on public policy.


Alan H. Temple

Faulty Assumptions

Decisions as to what policies will create the most favorable environment for growth and for attainment of the unquestioned economic potential of the '60s are not simple ones, and they ought not to be complicated by doctrinaire and unproven assumptions that economic maturity and stagnation have set in. All the lessons of history, all the accomplishments of science, all the vast extension of research, saving and investment, suggest that the assumption will again be proved false. If that is the case, the first criticism of policy for the '60s is that the viability and vigor of private enterprise should not be downgraded and that the role of government — important as it is—should not be exalted. If the authorities think the economy will otherwise stagnate, government spending will be increased, deficits tolerated and money policy eased more than they should be, and these policies will not be reversed as early as they should be. When the assumption is proved wrong it will be too late. The inflationary forces will already have been loosed, and the country will again be faced with an inflationary danger, about which at the moment we are all too complacent. These are lessons of the 1950s. Stagnationist theories are reviving the danger.

For both domestic and international reasons, the mix of economic policy for the '60s should be influenced less by moves to achieve some arbitrarily chosen high rates of growth and so-called full employment, and more by concern for reasonable price stability. The international reasons are obvious. Our balance of payments is in chronic deficit, and as bankers to the western world we owe other countries vast amounts payable on demand. If we make moves that our creditors construe as inflationary, the prestige of the dollar suffers and we lose reserves. This process feeds on itself. Moreover, policies that actually have an inflationary effect weaken our competitive power and add to the hard core deficit in our payments. This is the number one problem for the United States in the years just ahead. We risk our whole future if we do not keep faith with our creditors, who are also our allies in the western world, and every economic policy that we adopt as we move along into the sixties ought to be studied in this context.

No Defense for Inflation

Our responsibility to defend the external value of the dollar is often discussed as if it were in conflict with our responsibility to our own people. For example, some people say easy money, or perhaps big government deficits, would be good things for us at home because they would promote employment and growth, but that they would be bad things for the dollar internationally. With a bit of a sigh, they say unfortunately we can't indulge in the luxury. But this supposed conflict is almost wholly fictitious. It is absurd to say that what is economically sound for us externally is not economically sound for us internally. It is impossible to believe this unless we believe inflation is a good thing. I am one of those who believe that inflation is an evil per se. Because it takes something away from sizable groups of people, it diminishes prosperity and if it builds a boom it will also build a bust.

It follows that when we shape our policies to keep our industries competitive in export markets, and to keep prices reasonably stable, we are also taking the most effective steps possible to keep the balance in our own economy and to promote growth in our own markets.

In pursuit of growth for the '60s, this country should rely less on money policy, more on fiscal and tax reform, and more on concern for real wages rather than money wages. Let me elaborate. To use tight money policy on the one hand as the sole anti-inflationary reliance, while wages and prices push upward, is to lay upon it an impossible burden. To use easy money policy, on the other hand, as the principal device to achieve some arbitrarily sought rate of economic growth not only assigns to money policy an impossible task, but also is almost certain to produce more inflation than growth and to increase distrust of the dollar. With the aid of Treasury surpluses and carefully timed deficits, no more than automatic and compensatory in nature, which help lean against the wind, the task of money policy can be better attuned to its capabilities.

Wages vs. Productivity

Even more can be achieved by policies which would keep wage increases not merely equal to, but less than, productivity increases. When money wage advances exceed productivity gains, prices must go up or unemployment results. When they are less than productivity gains there is room for prices to go down, and benefits of productivity gains are distributed widely. Other consumers, as well as the producers of the product gain in buying power for it. Trade is promoted, and prosperity is distributed, which is one of the essentials to keep it going.

It is not fashionable today to talk much about balance in wages, costs and prices, among all segments of the population and all products of the economy, or to define it as the condition which perpetuates prosperity. The thing to say now when something goes wrong in the economy is that effective demand must be increased. How? By increasing the money supply, or government expenditures or—and how odd this one is—even by wage increases. Wages of course are not only income, they are costs. But the point is that increases in effective demand in these ways, even making the doubtful assumption the measures proposed will always increase demand as intended, do not cure fundamental maladjustments, structural weaknesses and unbalanced relationships. They do not make management any more efficient, or laborers better workmen. They do not cure featherbedding. They just inflate.

Thus the need in policy for the '60s is a lessened reliance on monetary factors as a cure-all, and a greater attention to non-monetary factors. Naturally this does not imply a derogation of the importance of money. But money policy is not the be-all and end-all of policy for growth.

Raising the criteria of price stability into a higher position in the policy mix would drop a little lower not only money policy but also the overemphasis on so-called full employment. It is now generally agreed in this country that 4% unemployment represents probably an optimum condition and any more above that rapidly becomes intolerable. Unemployment is above that level now; it is a social problem of vast human concern, and it is evidence that the economy is not functioning as well as it should. But what about the precision of the criterion? The question is 4% of what? What is our labor force? Statistically, it has increased by 2½ million people in the past 12 months, against a normal expectation of one million. The abnormal gain was mostly in women wanting white collar jobs. What is the explanation of this? No one seems to know. But is it not possible that this excess increase, if we may call it that, may at least in part reflect some temporary condition which may be ironed out in the future? If that is the case, has the 6.9% unemployment figure the significance that is claimed for it?

Ingredients for Growth

Growth in the '60s, and attainment of the decade's great potentials, require a climate favorable to investment and to profit — to make more employers in order to give more employment. Investment decisions are a distillation of a wide range of considerations, including the general soundness of the economy, the effect of our tax system on incentive, changes in technology, and the prospects of profits adequate to encourage investment. The level of expenditures on plant and equipment generated by these decisions will go a long way toward determining our ability to provide jobs for the growing labor force, the impetus given to improvements in productivity, and the overall rate of growth. Dr. Heller, Chairman of the Council of Economic Advisers, has developed the idea that our tax system automatically raises the effective tax rate as the gross national product expands, and that this rise in tax exactions suffocates the expansion and growth.

The record of the '50s shows in review too great a tolerance of employment cost inflation. It shows failure to grapple effectively with needs for structural tax reform. The failures of the '50s present problems for the '60s and call for new policies and a new mix. But nowhere is there need, justification, or indeed irrefutable theoretical and statistical proof, for the statement that our problem is chronic slack or stagnation. The physicists and the chemists should have knocked out such ideas long ago. As our society is set up, we depend on private profit-seeking enterprise to provide not only the bulk of the jobs but also most of the productive investment, the greater part of the tax revenue, and the vast flow of the goods and services that make up the American standard of living and capacity for self-defense. It is a fair prediction that unemployment will remain a problem until political and trade union leaders open their eyes to the simple fact that resurgence of employment opportunities and progress depend on release from the tax-wage squeeze on enterprise. When that becomes understood—when reliance is placed on encouragements to job-making and job-taking — we can move ahead.

*An abstract of an address by Mr. Temple before the New York Chamber of Commerce, New York City, May 3, 1961.

Indianapolis Bond & Share Adds to Staff

INDIANAPOLIS, Ind.—Clarence W. Schnicke is now associated with Indianapolis Bond and Share Corporation, 120 East Market St., members of the Midwest Stock Exchange, as sales representative in the Indianapolis and Marion County area. He has been in sales work since 1940 and was formerly with Cretors & Co., Indianapolis.

A Three-Pronged Attack on Hard-Core Unemployment

By Hon. Arthur J. Goldberg, Secretary of Labor, Washington, D. C.*

Secretary Goldberg lays down a three-pronged attack on "hard-core unemployment" involving (1) changes by labor and management; (2) state and local governmental initiative; and (3) certain Federal responsibilities. He outlines what he would like to see the first two sectors do and announces creation of a new Labor Department bureau dealing with automation and manpower problems.

For the last several weeks my colleagues in the government and myself have been reporting the signs of some recovery from the recession.

Arthur Goldberg

The decline in production has halted;

Housing starts improved more than seasonally in March;

New orders for durable goods were up in March;

The work week has turned back up.

Now let me state plainly that while there is evidence of recovery from the recession, it is too early to say that we are entirely out of the woods.

And certainly no one can argue that we are near that rate of economic growth we so badly need.

However, for the purposes of my topic, I am going to assume that in a reasonably short period, we will overcome most of the effects of the recession.

I am not enough of an economist to predict whether or not we will enter a boom period immediately thereafter. But it is interesting to me that those who predict a boom also predict a high level of unemployment along with it. A recent magazine analysis postulates, for 1962, which they estimate to be a boom year, breaking all records, 5,100,000 unemployed, in a working force of 70 million. That is a rate of 7%.

The Employment Challenge

Let me give my own estimate, as I see it and my department sees it:

There are now 5,500,000 unemployed. In the next 12 months, the labor force will grow by 1,300,000. We anticipate 1,800,000 job displacements in industry and on the farm due to technological change. And finally, another 1,900,000 jobs will be required to put the involuntarily part-time employed on a full time basis.

That adds up to 10,500,000 new jobs in the next year alone.

Even if we assumed an attainable unemployment rate of 4%, we would still need to provide 7,300,000 new jobs this year. And 4% is not a desired average, only an early goal. Obviously, we must do better than that.

That is a vast challenge and a huge responsibility.

I am quite glad that public attention is finally being focused on this issue. Those now seriously considering the problem are saying to the government: what are you going to do about it?

To them, I would say two things:

First, I am proud that this Administration drew national attention to the problem of hard-core unemployment. It has needed attention for a long time. It did not arise overnight. It did not suddenly appear on the landscape on Jan. 20, 1961. It has been perfectly obvious for some years that we were developing a serious problem of hard-core unemployment. The history of the last three recessions shows this, when each recovery displayed a higher unemployment rate than the previous one.

The effective statements of the President — during the campaign and since the campaign — and the work that spokesmen for the Administration have been doing to call attention to this issue have resulted in a wide public understanding of the nature of this problem.

With this awareness there is a demand for action. That is wholly understandable and completely welcome. It is well to know, however, that a problem of long duration and a little attention will not be solved overnight. It will require a well-developed and well-conceived program of action.

Our needs, and our programs are under constant study. The President will, of course, speak for the Administration when an evaluation indicates it. It would be inappropriate for me to speak for him.

There are several obvious areas that any program to alleviate hard-core unemployment must take into consideration, however. I suggest these areas, not to indicate in any way what the final outcome of Administration deliberation will be, but to indicate the scope of the problems.

Requires Three-Pronged Attack

The problem of hard-core unemployment requires, to my mind, a three-pronged attack.

First, management and labor must privately attack this problem. I have said many times that the final solution to unemployment is jobs in private industry, and increasing the rate of recovery in private industry to full production. The time has come when it is necessary for each of these elements of society to realize that they must do better than they have been doing in this area.

If management must automate, and I believe it must, then it must also assume a larger role than it has in the past to ease the transition for human beings.

Management has got to stop automatically resisting proposals to ease the human burden of automation, whether they are made by labor unions or public officials. Management officials must do more than they have done to provide themselves the devices to prevent hard-core unemployment. Restraining programs, allowance payments, vesting of pensions, care in the location and relocation of plants, and a host of other schemes should receive management's most serious attention.

Labor, for its part, must meet management half-way. It must abandon restrictive practices. Both sides must think out the operations of seniority systems. Both sides must concentrate on devices to increase labor mobility. Both must jointly explore these problems.

I am happy to say that this is beginning. The study groups in Kaiser Steel, in Armour and in other industries are well known. The problems that confront such groups are also becoming known, as they should. This is a difficult and complex area, where economic trends and human lives are intricately involved. No one can promise that cooperation can find easy or simple solutions, but we can promise no solutions will be found without it.

It is of great significance that this entire problem is the priority item on the agenda of the President's Advisory Committee on Labor-Management Policy.

I have enduring confidence in the resourcefulness of American management and American labor. They must now make a major contribution to ending hard-core unemployment. I feel they have made only a minor contribution thus far.

Local-State Responsibility

The second prong of the attack on unemployment is based on local and state governments. Their responsibility is highlighted in the Area Redevelopment Bill. They must be ready with plans and projects for the development of their own economic lives. They must have on the shelf important public facilities and natural resources programs.

Unlike the Depression period, the initiative for public works to provide for area development must come from local areas, with the help of the Federal Government, and not vice versa.

Furthermore, and more importantly, the states and local governments, which have the primary responsibility for education, must assure that their facilities are adequate to educate young men and women to the needs of a technological society. Here, too, while the Federal Government should help, I feel, because of the great burden of taxation that falls today upon local committees, the responsibility remains with the local and state governments.

Thirdly, the Federal Government has an important part in this three-pronged effort. I feel that it has been as derelict in the past, in meeting its full responsibility, as have labor and management in their sector, and local governments in theirs.

Automation-Manpower Bureau

Nowhere in government has there existed an operational unit dealing with automation and manpower. I have announced my intention to do something about this. I am creating by General Order an Office of Automation and Manpower within the Department of Labor. This office has been directed to examine employment and unemployment by industry, occupation and area, to follow current and anticipated technological changes. It will consider and develop educational and guidance programs to allow workers who may be displaced by automation to find new employment, without suffering a long period of unemployment. It will develop proposals for both training and retraining, for both placement and replacement of workers coming into the new economy, and those who must change their places within it.

Now all of those things I have described answer in part the question: what are you doing?

There is now another question in the air. As the Kennedy Administration moves to meet its responsibilities for a better and higher economic life, we are asked: Are you doing enough?

Other Federal Tasks

In an automated society, we will obviously have to have better trained people. We have found that job opportunity focuses on skill — the higher the skill, the better the opportunity. We must consider, along with the efforts of labor and management, the training and retraining of people, as the example of the Area Redevelopment Act indicates. We must create proper governmental policies to help preserve the mobility of the labor force.

Our New Frontiers exist in employment opportunity as well as along the broader ranges of national policy.

We must see to it that there are no artificial barriers to opportunity because of race, creed or color. The government has already embarked upon this effort in relation to its own employment and work performed under its own contracts.

Government policy, consistent with free institutions, must look forward to the full utilization of our manpower. We are now concerned with unemployment. In many occupational areas of the future there may well be shortages.

We should preview the role of the Federal Government in the development of natural resources. We should preview the proper relationships and partnerships that exist between Federal and state and local governments for the development of public facilities. And, of course, we must make certain that our fiscal policies are compatible with growth and expansion and contribute to a climate of business and employment opportunity.

Some of this has already been done. The government is reviewing other appropriate measures in this area. The issues are complex. Solutions are often elusive and difficult. But we will strive to find them, and I believe we can and will find them.

I urge this upon all groups I meet with. The three-pronged attack on unemployment I have described can be successful only if there is a working partnership between all elements of society. None is large enough to carry the burden itself.

The words of our President in his inaugural address are fitting to the time: "Let both sides explore what problems unite us instead of belaboring those problems which divide us."

*From an address by Mr. Goldberg before the Economic Club of New York.

Arizona Pub. Svce. Rights Offering

Arizona Public Service Co. is offering the holders of its outstanding common stock, par $2.50 rights to subscribe at $32.50 per share for 488,986 shares of additional common stock on the basis of one new share for each 15 shares held of record on May 23, 1961. A group headed jointly by The First Boston Corp. and Blyth & Co., Inc. will underwrite the offering which will expire on June 13, 1961.

The proceeds from the sale will be used for payment of loans incurred for construction.

The company is a public utility generating, purchasing and selling electricity and purchasing and selling natural gas. The company's service area extends to ten of Arizona's 14 counties and covers approximately 40,000 square miles. It is estimated that one or both of the company's services reaches approximately 865,000 persons, or about 67% of the State's population.

For the 12 months ended Feb. 28, 1961, total operating revenues of the company amounted to $75,696,000 and net income to $9,816,000, compared with total operating revenues of $74,183,000 and net income of $9,487,000 in the calendar year 1960.

Capitalization as of Feb. 28, 1961 and as adjusted to give effect to the sale of the additional common shares shows $96,861,000 in long-term debt, $40,562,000 of preferred stock and 7,823,780 shares of common stock with a book value of $225,242,000.

The company has paid dividends on its common stock each year since 1920. The most recent dividend of 18 cents per share has been declared for payment on June 1, 1961 to stockholders of record on April 27, 1961.

Wayne-George Common Sold

Hayden, Stone & Co. made an initial public offering on May 19 of 80,000 shares of Wayne-George Corp. common stock at $10 per share. The stock sold quickly at a premium. Of the offering 60,000 shares were sold for the account of the company and 20,000 shares for the account of the company president. Company proceeds of the sale will be used for repayment of a short-term note, for the purchase of new equipment and for research. The balance will be added to working capital.

Wayne-George Corp., with executive offices and plant in Boston, Mass. designs, develops and manufactures high precision digital encoders. The company's instruments are used in computing the position, velocity and acceleration of aircraft and missiles in flight, in determining the desired launching angle of missiles, and in navigation systems for aircraft and submarines. Substantially all of the company's sales have been related directly or indirectly to the national defense and space programs. During the fiscal year ended Sept. 30, 1960, direct sales to the government accounted for approximately 8% of company business. Other principal customers include Radio Corp. of America which accounted for about 35% of the company's total sales during the past fiscal year. As of Jan. 31, 1961 the accumulated backlog of the company's orders totaled approximately $297,000, compared with about $286,000 on Jan. 31, 1960.

For the four months ended Jan. 31, 1961, sales of the company totaled $473,152 and net was $57,118 compared with sales of $306,719 and net of $18,318 for the like four months ended Jan. 31, 1960. For the year ended Sept. 30, 1960, sales were $1,001,206 and net was $57,771.

Capitalization of the company as of March 20, 1961 and as adjusted to give effect to the current sale consists solely of 432,400 shares of common stock without par value.

Friden, Inc. Stock Offered

Public offering of 360,000 shares of Friden, Inc., common stock at a price of $66 per share, was made on May 23 by an underwriting group jointly managed by Dean Witter & Co. and Merrill Lynch, Pierce, Fenner & Smith, Inc.

Of the 360,000 shares offered, 150,000 are being sold for the company and 210,000 shares for certain selling stockholders.

Net proceeds from the sale of the company's shares will be used to provide tooling for new product models; machine tools to improve operating efficiency; expansion of international facilities, and prepayment of loans.

Friden, Inc., San Leandro, Calif., manufactures calculating machines, adding machines, data processing equipment and a full line of mailroom equipment. The company's principal plants are located in San Leandro, Chicago, Ill., Rochester, N. Y., Lewistown, Pa. and Nijmegen, Holland.

For the year 1960, Friden, Inc. reported net sales of $75,911,034 and net profit of $5,800,622, equal to $1.61 per common share.

With Paine, Webber

PHILADELPHIA, Pa. — Paine, Webber, Jackson & Curtis, members of the New York Stock Exchange, announce that James Donald Watson is now associated with them as a registered representative in their Philadelphia office, 1400 South Penn Square.

Purchasing Land in Europe As an Inflation-Hedge

By Roger W. Babson

Land is the best hedge against price inflation according to Mr. Babson who makes known his views on opportunities in Europe and the way to go about acquiring them. The dean of financial writers suggests three simple rules to follow and stresses the importance of spending a month in any foreign country in order to check up on land investment personally.

Properly located acreage should be the best hedge against inflation, owing to its limited amount and the growth in population. I spent two months last fall studying land in Europe (I am making no report now on the Latin and South American countries or Canada). As there was little interest in tourist travel in Europe during the winter, I have held these notes until now.

Ireland—The Emerald Isle

Owing to Great Britain's desire to break up all unproductive estates of available acreage, I know of no bargains in acreage in England—although raw acreage can be purchased in Scotland and Wales. However, I have traveled 900 miles by automobile in Ireland. There are few industries in Ireland due to the lack of natural resources. The people are healthy, happy, and willing to work. The youth of Ireland—outside of the few large cities—are happy living on farms which they expect to inherit from their parents. As a result, very little of the good farming land is for sale in Ireland, even at high prices. Land which sells in Kansas for $100 per acre cannot be bought in Ireland for less than $400 per acre.

The mountain land in the western portion, which is good only for grazing sheep, can be bought for $10 or $5 per acre, depending upon its accessibility. Lakes and rivers abound in Ireland, which makes it good for pasturing. In fact, the acreage in Ireland may be divided into three groups: (1) Good farm land in the "Golden Midlands;" (2) pasture land with good green grass but with not much depth of soil, which sells for about $150 per acre; and (3) rocky mountain land good only for surefooted sheep and cattle, but preferably in the southern part near the ocean.

France, Italy and Other Countries

The above comments as to prices regarding Ireland apply also to France, Switzerland, and Italy. No good acreage is available in Belgium, Holland, or West Germany. Not only is the fertile land there in production, but the farmers control the politics, tariffs and even prices. Italy, however, is fast becoming an industrial nation with waterpower and other natural resources. U. S. manufacturers should watch Italy and Switzerland (and also Japan), although these countries now have much unemployment.

Europe has natural resources, including navigable rivers, iron, coal, chemicals, and waterpower. It also has a climate which encourages people to work. Wages are fairly low and there is no scarcity of labor in most localities. This explains why so many American manufacturers are buying or building plants in Europe. Labor unions exist, but with the exception of those in France, are not now much of a handicap.

What About Spain?

My comments regarding the three classes of land in Ireland also apply to Spain. Spain has waterpower, both developed and undeveloped. It has coal, oil, and chemicals. Wages are low and the cost of living is reasonable. Industries are springing up in Spain and the climate is fair, for both workers and tourists. Perhaps as a foreign hedge against inflation I would now advise the purchase of well-located land in Spain, especially in the suburbs of Madrid, Toledo, Barcelona, and Valencia. The big real estate profits in Spain will take place in "Suburbia"—which is now just starting.

Of course, no one should invest in any foreign country without spending a month therein and seeing the land personally. Spain has several different kinds of terrain and climate — dry and wet, mountainous and fertile, cold and warm. Most of what I say about Spain also applies to Portugal. I advise the southern coastal portion of Spain. The west coastal country is warm in winter and may be compared to our Florida. Southwest of Barcelona toward Gibraltar there are several very attractive places. Given the same altitude, the temperature should grow warmer as one travels southwest from Barcelona or Madrid. Malaga is supposed to have the best all-round climate of any city in Spain.

Let me describe in some detail the area from Barcelona eastward to the French Border where one approaches the French Riviera. One can reach Barcelona by steamship, or plane, or railroad train. From Barcelona to the French Border is about 75 miles. One can make the trip in three hours by automobile or in one hour by electric train. The first town which interested me was San Pedro. This is about 20 miles east of Barcelona and has a good beach with medium-priced hotels. The next was Plana on the Sea, which is rapidly developing somewhat like our New York Coney Island. The next point of interest is Lloret de Mar. These places are old towns with very narrow streets, while the sandy beaches for sunning and bathing are superb. All these places have numerous hotels at all prices.

A fourth place of interest is Tossa by the Sea. This place is more expensive than the others and now appeals only to gay young people who want to bathe or lie in the sun all day and dance all night! Furthermore, the highway between Lloret and Tossa is very winding, with over 20 dangerous hairpin turns. Those going from Barcelona to Tossa or beyond should take the electric railway and avoid these hairpin curves with great high cliffs on one side and 1000-foot drops on the other.

What Land to Buy

Now for the final and most important reason why I think good money could be made east of Barcelona by those who are willing to go there and live for a month and look carefully about. Here are three simple rules to follow: (1) Buy well-drained farm land between the highway and the ocean even if it is bisected by the electric railway. Insist that your land go down to the ocean. (2) Buy land now cultivated so that the rent which some reliable farmer will pay you will take care of the taxes. (3) Be sure your title is good, which means buy it through some reliable local banker or real estate agent. These rules apply to buying land for speculation in all of the above countries.

You will soon realize that situations exist for profit which I have not found in the suburbs of any large city in the world. From the time you leave San Pedro you will find small farms located all along the line adjoining good residences. I cannot give you prices per acre because equally good producing soil appears to sell at entirely different prices. You must check up on a large number of such farm plots and then buy the cheapest; but insist on the above three conditions and, of course, get your land in a good neighborhood with good neighbors. This you can do only by living for one month between San Pedro and Lloret by the Sea.

Canadian Group to Hold Business Conf.

MONTREAL, Canada—The Fifth Annual Conference of the Association of Canadian Schools of Commerce and Business Administration will be held at Sir George Williams University, on June 12-13, 1961. The program consists of a number of papers on business subjects, including "The Concept of Return on Investment" by C. Lindsay Mitchell, University of British Columbia, and "Return on Investment in the Canadian Contest" by Frank S. Capon, Vice-President, du Pont of Canada, Ltd.

Further information may be obtained from Edward D. Maher, Department of Business Administration, University of New Brunswick, Fredericton, New Brunswick.

Cleveland Bond Club Elects

CLEVELAND, Ohio—The Board of Governors of the Bond Club of Cleveland, has elected Thomas A. Melody of Merrill, Turben & Co., Inc., as President. He succeeds Clemens Gunn of Gunn, Carey & Roulston. Theodore A. Gaskell of Hayden, Miller & Co. was elected Vice-President, Boynton D. Murch of Murch & Co., Secretary, and Donald M. Hosford of Salomon Bros. & Hutzler, Treasurer.

Mr. Murch, Mr. Hosford and Mr. H. Leonard Flynn of McDonald & Co., were elected to three-year terms on the Board of Governors.

Carter Harrison, Cruttenden Firms to Merge

Robert A. Podesta (second from left), and Carter H. Harrison (second from right) prepare to sign the articles of agreement whereby Carter H. Harrison & Co. becomes affiliated with Cruttenden, Podesta & Co. With them are Harold W. Jacobsen (left), Administrative Director of Cruttenden, Podesta, and Sidney L. Castle, a Carter Harrison partner.

CHICAGO, Ill.—Carter H. Harrison & Co. is affiliating with Cruttenden, Podesta & Co., 209 South La Salle Street, partners of the two Chicago-based investment firms have announced. Subject to New York Stock Exchange approval, the consolidation becomes effective June 1.

Carter H. Harrison and Sidney L. Castle will become limited partners of Cruttenden, Podesta, and their firm's force of approximately 20 administrative, sales and clerical personnel will be added to the CP staff.

For Cruttenden, Podesta, the consolidation also means a new branch office—the present Carter Harrison branch in La Crosse—and additional registered representatives in Milwaukee and Janesville, Wis., Winona, Minn., and Charles City and Odebolt, Iowa. The new office will be Cruttenden, Podesta's third in Wisconsin (with Milwaukee and Madison), and its 21st, coast to coast.

Carter H. Harrison & Co., a member of the Midwest Stock Exchange, was formed in 1938 as a dealer in general market issues. Its hallmark over the years has been special investment situations, particularly railroad obligations and utility bonds.

Four of the consolidation's principals — Walter W. Cruttenden, Carter Harrison, Robert A. Podesta and Sidney Castle—share a unique distinction. Each is a second- or third-generation native Chicagoan who has spent his entire business career in the La Salle Street community. Before becoming a Carter Harrison partner, Mr. Castle was associated with Lazard Freres, Brown Harriman & Co., The National City Bank of New York, and William R. Read & Co.

In addition to his active participation in railroad and utility financing over the years, Mr. Harrison has a distinguished record of public service. Under appointment from the Comptroller of the Currency, he served as receiver for nine national banks in this area during the Depression. Later, he was estate appraiser for the State Revenue Department in Upper Illinois.

Blair S. Williams to Admit

Blair S. Williams & Co., 11 Wall Street, New York City, members of the New York Stock Exchange, on May 25 will admit Vincent A. Centrello to partnership. Mr. Centrello will become a member of the Exchange.

MUTUAL FUNDS

BY ROBERT E. RICH

The Oils Are Toppled

It is scarcely a secret that oil equities have fallen from favor. In the feverish financial community, where the Moon Watchers have been earning even as they have been learning about the newest implications of the ancient science of astronomy, there is scant interest in the rich treasure underfoot.

Not that mutual funds and investors on their own don't have a sizable stake in oils. A frequently heard complaint is that they do. One investment leader probably sums up the lamentations of many: "We have a long-time position in Standard Oil of New Jersey, which even now provides a 5% yield and has a good dividend cover. We have few other stocks that provide so good and steady an income, but our capital gains, realized and unrealized, have come from the other issues."

Like every other industry, the oil business has its problems—only more of them. There's the glut, which has caused a weak price structure. There's the rising competition of natural gas and the occasional threat from government officials to alter the tax structure. Also, there's the insecurity that many investors feel about the overseas stakes of our oil companies in these changing times. There are other problems, too, such as the rigid curbs imposed on production in such states as Texas, but the foregoing should suffice to give some idea of why oils have lost much of their glamor.

According to a survey made by the National Association of Investment Companies, the oils have sustained a new blow to their prestige. It seems that as far back as 1950 the oils were, far and away, the favorites of the funds. Based on the common stock holdings of 20 leading mutual funds, there was 25% more money in the oils than in the runner-up public utilities (including telephone issues).

By the end of 1959 the lead of the oils was still substantial. Twenty funds had over a billion dollars in this group, compared with $882,000,000 for the still-trailing utilities. But when the curtain fell on 1960, the picture was found to be completely changed. The oils had fallen below the billion mark while the utilities had soared to nearly $1.2 billion to wrest the lead. Indeed, the slipping oils were also passed by financial equities (banks and insurance), which topped the billion figure by nearly $52,000,000.

These figures, which reflect not only fund managements' decisions to buy and sell but the ups and downs of prices as well, also made grim reading for the metals and mining groups. Value of steel holdings by the end of last year was little more than $400,000,000, a slump of nearly one-third in the course of a single year. Plainly, the funds were not enchanted by steels last year and those they owned were badly mauled in the market. Of course, many a fund manager in the spring of 1961 must wish he hadn't taken a dim view of such issues as United States Steel in 1960.

Even as the steels were dropping to No. 5 from the fourth slot, the chemicals were edging into fourth on a rise in values to $558,000,000 from the less than $536,000,000 that gave them fifth place in 1959.

A newcomer to the ranks of the Top 10 is office equipment with holdings valued at over $400,000,000. It was No. 13 in 1959 and in 21st place a decade ago.

By all odds, the most impressive performance of all industries was turned in by the food and beverages grouping, reflecting incidentally the defensive-mindedness of the fund leaders during much of last year. This field finished in 10th place in 1960 on holdings toting up to nearly $290,000,000. The industry was No. 15 a year earlier on holdings of less than $183,000,000. Back in 1950 the total was a mere $34,870,000.

The other newcomer to the Top 10 is an industry which contributed to the toppling of the oils: natural gas. It wound up ninth on holdings of nearly $297,000,000, up from $233,000,000 in 1959, when it was 14th.

The Funds Report

Total net assets of **Affiliated Fund Inc.** reached a record high of $732,925,401 at April 30, close of the first half of the current fiscal year, Harry I. Prankard 2nd, Chairman, said in his report to stockholders. This was equivalent to a net asset value of $8.31 a share on each of the 88,239,744 shares outstanding. The per share value, together with the 31-cent capital gains distribution paid last December, was equal to $8.62, representing an increase of $1.55 a share, or 22%, in the recent six-months period, Mr. Prankard pointed out.

As of Oct. 31, 1960, the close of the last fiscal year, total net assets amounted to $585,947,573, equivalent to $7.07 a share on each of the 82,903,025 shares then outstanding.

In the six months ended April 30, 1961, 10 new stocks were added to Affiliated Fund's portfolio, as follows: Amerada Petroleum Corp., Bobbie Brooks Inc., Borman Food Stores Inc., Continental Oil Co., Hazeltine Corp., Perkin-Elmer Corp., Permanente Cement Co., Stop & Shop Inc., Suburban Gas and Western Union Telegraph Co. Nine stocks were eliminated: American Cement Corp., Atlantic Refining Co., Champion Paper & Fibre Co., First National Stores Inc., Kimberly-Clark Corp., Merck & Co. Inc., Parke, Davis & Co., Radio Corporation of America, Sinclair Oil Corp.

* * *

Shareholders of **Axe-Houghton Fund B** have overwhelmingly approved the fund's management. Of the 11,741,975 shares represented at the annual meeting in Tarrytown, N. Y., 97.4% were voted in favor of continuing the management services of E. W. Axe & Co. Exclusive of contractual planholders' shares, the margin of approval was 98.6%.

* * *

Energy Fund reports that at April 30 net assets amounted to $22,361,359, or $25.86 a share. A year earlier the comparative figures were $10,083,161 and $20.56 a share while at the close of 1960 the figures were $15,118,656 and $21.35.

* * *

Net assets of the **Group Securities** mutual funds totaled $200,517,972 on May 17, up 100% in three years, Herbert R. Anderson, President, announced. Shareholder accounts, he noted, also reached a new high at approximately 51,300.

"The Common Stock Fund, largest of the Group Securities funds with assets of $145,071,507, was also at a new high," Mr. Anderson stated.

* * *

Income Fund of Boston reports that at April 30 total net assets amounted to $38,062,062, equal to $8.02 per share. This compares with $30,745,800 and $7.44 a share a year earlier.

* * *

Institutional Income Fund has declared a dividend of 8 cents per share from investment income, payable July 3 to shareowners of record June 1.

* * *

April was a banner month for **Investors Diversified Services Inc.** and its subsidiary and affiliated companies in the Investors Group, with combined earnings, sales and assets at highs surpassing any previous April in the company's history, W. Grady Clark, President, announced. Combined net operating income amounted to 80 cents per share for the month compared with 71 cents per share at the end of April 1960, according to unaudited figures. Combined net capital gains were 20 cents per share for April, compared with 8 cents per share for the month a year ago. Net income was $1 per share for April, compared with 79 cents for the preceding April.

For the first four months of this year, combined net operating income was $3.69 per share, compared with $3.55 per share on April 30, 1960, and combined net capital gains were 21 cents per share, compared with 6 cents per share, for a total combined net income of $3.90 per share on April 30, 1961, compared with $3.61 per share for the first four months of 1960.

April sales of the five mutual funds managed by IDS and of investment certificate and insurance subsidiaries totaled $67,255,000, compared with $55,520,000 for the month in 1960. The funds' sales alone were $25,710,000 for April this year, compared with $20,731,000 for the previous April, exclusive of reinvested dividends.

* * *

Keystone High-Grade Common Stock Fund reports that from Oct. 31 to March 31 it added to the portfolio American Can and Jewel Tea. During the same period it eliminated Addressograph - Multigraph, Aluminium Co. of America, Continental Can and General Electric.

* * *

Liberty Fund Inc. reports that in the six months to March 31 it bought W. R. Grace & Co. and Louisiana Gas Service as new additions. Holdings of Federated Department Stores, International Textbook, Edison Brothers Stores, Halliburton, American Telephone & Telegraph and American Hospital Supply were increased. Also, during the period it decreased holdings of Georgia Pacific, American Machine & Foundry and Revlon. Eliminated were Kelsey-Hayes, Radio Corporation of America, Schering, Keystone Portland Cement, Johns Manville, Texas Eastern Transmission, Union Pacific, S. H. Kress, Royal Dutch Petroleum.

* * *

National Securities & Research Corp. declared quarterly distributions of 2 cents a share on National Growth Stocks and 8 cents on National Income, both payable June 15 to stock of record May 31. The payments will be made from net investment income.

* * *

Oppenheimer Fund Inc. has passed the $10,000,000 mark in total net assets. President Max E. Oppenheimer announced net assets climbed to $10,027,500 on May 16 for an increase of 110% since the beginning of the year and 152% since May 16, 1960.

He also disclosed continued substantial gains in the fund's net asset value per share. The fund's share value at the May 16 close amounted to $17.33, up 44.7% since the first of the year.

* * *

Scudder, Stevens & Clark Common Stock Fund Inc. reports that at May 17 total net assets were $45,666,339, or $10.63 a share, against $33,794,177 and $9.16 per share a year earlier.

Alleg. Ludlum Debs. Offered

The First Boston Corp. and Smith, Barney & Co., Inc. are joint managers of the group that offered publicly on May 18 an issue of $15,000,000 Allegheny Ludlum Steel Corp. 4¾% sinking fund debentures, due 1986, at 99½% to yield 4.78%.

Net proceeds from the sale of the new debentures will be applied to the repayment of a $10,000,000 term bank loan, and the balance will be used for general corporate purposes, including the continuing improvement of plants and facilities, and for working capital requirements. During the past five years, the company has spent approximately $60,000,000 for improvement of plants and facilities designed to broaden the range of products, increase production, reduce costs and improve the quality of products.

The new debentures are entitled to a sinking fund sufficient to retire 96.7% of the issue prior to maturity. They are also redeemable at the option of the company at redemption prices ranging from 104.25% for those redeemed prior to May 31, 1962 to 100% for those redeemed on or after June 1, 1985.

Allegheny Ludlum, directly or through subsidiaries, is a leading producer of stainless steel; electrical steel and electrical alloys and tool steel and tungsten carbide alloys, high temperature and valve steel and other special alloys and metals. The company also rolls, finishes and sells carbon steel strip and copper coated carbon steel strip.

Giving effect to the sale of the new debentures and the repayment of the bank loan, capitalization of the company and its subsidiaries as of Dec. 31, 1960; $47,209,600 in long-term debt, composed of $31,019,000 senior debt and $16,190,600 of subordinated convertible debt; and capital stock and surplus of $110,489,905.

With Lee Higginson

BOCA RATON, Fla.—Lee Higginson Corporation, member of the New York Stock Exchange and other leading exchanges has announced the appointment of Glenn S. Martin as manager of the firm's office, 105 East Boca Raton Road.

Mr. Martin was formerly manager of the Goodbody & Co. branch in Anderson, S. C.

Miss Polachek With Kalb, Voorhis

Kalb, Voorhis & Co., 27 William Street, members of the New York Stock Exchange, have announced that Miss Doris J. Polachek has been named Public Relations Director of that firm's Dealer Services Division. Kalb, Voorhis & Co. specializes in dealer services to the Mutual Fund industry, particularly in the area of sales promotion, sales training and financial planning.

Miss Polachek, was formerly Vice-President of Fass Management Corp. and Assistant Vice-President of both Blue Ridge Associates, Inc., and Capital Program Corp., sponsors and distributors of Blue Ridge Mutual Fund and its contractual program, respectively.

She will be handling Public Relation Services not only for Kalb, Voorhis & Co., but also for Mutual Funds and Mutual Fund Dealers on a client basis. She will also augment Kalb, Voorhis' services relating to Contractual Programs and Real Estate Investment Trusts for individual clients.

Ohio Edison Co. Bonds Offered

Morgan Stanley & Co. heads a nationwide underwriting group which offered for public sale on May 23 a new issue of $30,000,000 Ohio Edison Co. first mortgage bonds 4¾% series of 1961 due 1991. The bonds are priced at 101.608% and accrued interest to yield approximately 4.65% to maturity. The bonds were purchased from the company by the underwriting group at a competitive sale yesterday on the group's bid of 100.758% which named the 4¾% coupon.

The proceeds from the sale of the bonds will be used in part for construction and reimbursement of company's treasury for construction expenditures. The company estimates the balance of proceeds, with other company funds, will be sufficient to provide for its cash requirements for construction in 1961. The cost of 1961 construction is estimated at $52,800,000.

Optional redemption prices for the bonds range from 106.36% to the principal amount. Special redemption prices are scaled from 101.608% to the principal amount.

Consolidated long-term debt of the company and subsidiary, Pennsylvania Power Co., at Dec. 31, 1960 was $275,140,000. Also outstanding were $77,734,900 of preferred stock ($100 par value) and $225,313,557 of common stock and surplus.

The company's electric service area includes 600 communities as well as rural areas in Ohio. Principal communities served are Akron, Youngstown, Lorain, Warren, and Mansfield. Pennsylvania Power Co. supplies electric service in 136 communities in western Pennsylvania.

For the 12 months ended March 31, 1961 consolidated operating revenue was $158,637,898 and gross income before income deductions was $37,299,569.

New Stewart Office

FT. LAUDERDALE, Fla. — E. W. Stewart & Co., Inc. has opened a branch office in the Professional Building under the management of Henry H. Winkler.

Named Director

William G. McKnight, Jr., General Partner in Eastman Dillon, Union Securities & Co., New York, was elected to the Board of Directors of Tidewater Oil Company at the company's annual stockholders' meeting.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

The Chase Manhattan Bank, New York, formally opened its new headquarters building May 17. It lies on the newly designed Chase Manhattan Plaza, one block north of Wall Street.

* * *

The New State Banking Department approved May 23 the merger of the **Hanover Bank, New York** into the **Manufacturers Trust Company, New York.** The merger still must be approved by the Federal Reserve Board.

Stockholders of both banks approved the proposed consolidation in March.

With more than $6,000,000,000 in assets, the consolidated bank would rank as the third largest in New York City and the fourth largest nationally. It would be called the **Manufacturers Hanover Trust Company.**

* * *

The First National City Bank, New York and the **National Bank of Westchester, White Plains, N. Y.,** have filed an application for merger with the U. S. Comptroller of the Currency. The new institution would carry the name of the First National City Bank of New York, if approved.

* * *

Chemical Bank New York Trust Company, New York. has elected Everett L. Noetzel to its Upper Midtown Area Advisory Board.

* * *

Yorkville's newest banking office was opened by **Chemical Bank New York Trust Company, New York,** at 79th Street and York Avenue on Monday, May 22.

Adolph T. Rasmussen, Manager, and Elliott Bradford, Jr., Assistant Manager, will head the new office.

* * *

The Manufacturers Trust Company, New York, has filed an application to change its title to **Manufacturers Hanover Trust Company.**

* * *

Edmund A. Perkins, 62, Vice-President of the **Textile Banking Company,** died May 15. He joined Textile Banking Company in 1940 and in 1949 was named Vice-President.

Wilfred Woitrich, Chairman of the Board of **The Lincoln Savings Bank, Brooklyn, N. Y.** announced the election of Mr. Wyrtzen as Vice-President in Charge of Business Promotion, Advertising and Public Relations.

* * *

Walter R. Miller was elected President and Louis E. Weed, Chairman of the Board of Trustees by the **East Brooklyn Savings Bank, Brooklyn, N. Y.,** effective July 1.

Mr. Miller was elected a Trustee of the bank in 1947. He formerly was Supervising Vice-President of the **Manufacturers Trust Company, New York.**

Before Mr. Weed was elected President of the bank four years ago, he was Executive Vice-President and Treasurer. He joined the bank as Controller in 1942 and was elected a Trustee in 1947.

* * *

G. William McEwan, President of the **Home Savings Bank, Albany, N. Y.,** died May 19 at the age of 78.

Mr. McEwan, a Trustee of the bank since 1918, was elected President last January.

* * *

The Liberty Bank and Trust Company, Buffalo, N. Y., has increased its common capital stock from $4,067,790 to $4,239,660, consisting of 423,966 shares of the par value of $10.

* * *

By a stock dividend, the **Northern National Bank of Presque Isle, Presque Isle, Maine,** has increased its common capital stock from $900,000 to $1,000,000, and by the sale of new stock from $1,000,000 to $1,100,000, effective May 10. (Number of shares outstanding 44,000 shares, par value $25).

* * *

Approval of a new branch office of **The First National Iron Bank, Morristown, N. J.,** to be located in Mountain Lakes Borough, has been granted by the Comptroller of the Currency.

* * *

Richard N. Vanscoy has been appointed Assistant Secretary in the Trust Department of **Mellon National Bank and Trust Company, Pittsburgh, Pa.**

* * *

In a joint statement by Hooper S. Miles, Chairman of the Board of **Baltimore National Bank, Baltimore, Md.,** and Delbert Davis, President of **County Trust Company of Maryland, Glen Burnie, Md.,** it was announced that by action of the respective Boards of Directors of the two banks, a merger of the County Trust Company of Maryland with Baltimore National Bank has been agreed to subject to the approval of the Comptroller of the Currency and the stockholders of both banks.

It was stated that Mr. Davis will become a Senior Vice-President of the merged bank and Chairman of a special advisory board for the supervision of County Trust offices, as well as a member of the officers' loan committee of the merged bank.

A formal application for the approval of the Comptroller of the Currency will be filed and special meetings of the stockholders of both banks will be called to act on the terms of the merger agreement.

Total resources of Baltimore National Bank as of April 30 were $437,235,000 and total resources of County Trust Company were $98,743,000.

The basic proposal provides that four shares of Baltimore National Bank of the par value of $10 each would be exchanged for five shares of County Trust Company of Marylend of the par value of $10 per share.

Upon approval of the merger, a new name will be selected for the bank.

* * *

The New Harmony National Bank, New Harmony, Ind., has increased its common capital stock from $50,000 to $100,000, by a stock dividend, and from $100,000 to $200,000 by the sale of new stock, effective May 8. Number of shares outstanding 20,000 shares, par value $10).

* * *

Charles E. Morris, was promoted to Assistant Cashier and Thomas R. Beverlin to Auditor of the **Guaranty Bank & Trust Company, Chicago, Ill.,** it was announced May 22 by Louis E. Corrington, Jr., President.

* * *

Three new executive appointments are announced by **The Michigan Bank,** according to John C. Hay, President.

James P. Cummiskey, Jr., was named a Vice-President and commercial loan officer, while Lyle K. Robinson was promoted to Assistant Vice-President, and H. Samuel Greenawalt, Jr., was appointed to Assistant Vice-President.

* * *

The Bank of California, N. A., San Francisco, Calif., has received approval of supervisory banking authorities to establish a branch office in downtown Watsonville in Santa Cruz County.

The merger agreement of the **United California Bank, Los Angeles, Calif.,** and the **First National Bank of La Verne, Calif.,** will be presented for approval to the shareholders of First National Bank of La Verne within the next month. La Verne has deposits of $6,800,000 and United California Bank has deposits of $1,800,000.

Broad St. Cap. Corp. Formed

Myron A. Lomasney, General Partner in Lomasney, Loving & Co., 67 Broad Street, New York City, has announced the formation of Broad Street Capital Corp.

Licensed under the Small Business Investment Act of 1958, Broad Street Capital Corp. will assist Lomasney, Loving in financing businesses whose securities are not yet ready for general sale to the public.

"There are many businesses today with excellent growth prospects but whose securities are not yet mature enough for a general offering to the public," Mr. Lomasney said. "Broad Street Capital Corp. will supply their financial needs during the incubation period of from 6 to 18 months before public offering."

Oser V.-P. of Peoples Planning

The election of Lee M. Oser, Jr. as Vice-President in charge of sales of Peoples Planning Corporation, 20 East 46th Street, New York City, has been announced by Abraham S. Karasik, President of the mutual fund underwriting company.

Mr. Karasik also announced plans for the expansion of national wholesale distribution of shares of Peoples Securities Corp., a growth-stock mutual fund currently being retailed in several Eastern states by Peoples Planning.

Mr. Oser, who will direct both the retailing and wholesaling of the fund's shares, is a veteran of over five years' experience as sales representative and distributing executive in the open-end investment company field.

Form Beneficial Inv.

SPARTA, N. J. — Beneficial Investment Corp. has been formed with offices at 191 Green Road to engage in a securities business. Officers are George M. Stites, President and Treasurer; and M. J. Stites, Secretary.

Honored by Loeb Awards

Recent developments in the economic growth of the United States and conditions under which this growth may be accelerated were discussed May 18 by Walter W. Heller, Chairman of the President's "Council of Economic Advisers," at the fourth annual presentation luncheon of the University of Connecticut Loeb Awards for financial journalism in the Savoy Hilton Hotel, New York. (Mr. Heller's address is printed in full in this issue.)

Winners of this year's honors were:

For Newspapers — Staff members of the *Wall Street Journal* who contributed to a series titled "New Millionaires."

For Magazines—Leonard S. Silk, *Business Week,* for a special report titled "The U. S. Invents a New Way to Grow."

Special Achievement Awards for newspaper writers were presented to Lee M. Cohn, *Washington Star,* and Sidney Fish, *Journal of Commerce.* Similar awards for magazine writers went jointly to Hobart Rowen and Sandford Brown, *Newsweek,* and to Tait Trussell, *Nation's Business.*

The Loeb Awards, made possible through a grant to the University of Connecticut from the Sidney S. Loeb Memorial Foundation, were established in 1957 to recognize and reward excellence in the reporting of business and financial news. The avowed purposes of the awards are to encourage the highest standards in financial journalism and to contribute a better public understanding of the American free enterprise economy.

The presentations were made by Laurence J. Ackerman, Chairman of the Loeb Awards Advisory Board and dean of the University of Connecticut School of Business Administration.

Three With Fallon, Kelly

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Paul J. Lowe, William E. McCahill and Thomas J. Padden have joined the staff of Fallon, Kelly & Co., Inc., 7805 Sunset Boulevard. All were formerly with Hayden, Stone & Co.

Two With Calif. Investors

LOS ANGELES, Calif. — Robert B. Shaine and James H. Ross have been added to the staff of California Investors, 3932 Wilshire Boulevard.

THE SECURITY I LIKE BEST...

Continued from page 2

handset made of modern plastic and the introduction, in 1956, of the Ericofon, the first commercially successful one-piece telephone.

While Ericsson is primarily a designer and manufacturer of telephone equipment, products include other items such as traffic control and signalling devices of many types, radio and television receivers, longlife tubes, production control and data processing equipment, record presses and a variety of telecommunications components and other products. However, the contribution of non-telephone products to overall profits is not believed to be substantial.

Ericsson's steady growth in sales and earnings were slowed in 1957. Currency problems in Latin America, deficits in an American subsidiary, and starting up costs in an enlarged French operation were contributing factors.

Currently, the American and French operations are operating profitably, and the currency problem in Latin America has been cleared up.

Year Ending Dec. 31	Sales ($ Million)	Net Income ($ Million)	*Adjusted Earnings Per Sh.
1961	†$215.0		†$1.85
1960	196.9	$7.7	1.50
1959	165.3	5.9	1.36
1958	155.8	5.2	1.40
1957	143.7	3.8	0.76
1956	145.3	4.3	0.81
1955	131.8	4.3	0.97

*Earnings have been adjusted to take into account large contingency reserves. Swedish tax laws permit Swedish companies to take 60% reserves against inventory devaluation; to take very rapid depreciation allowances and to set aside reserves for future investment. All of these reserves are in excess of similar allowances allowed American companies. Our earnings estimate has been adjusted to take this difference into account. †Estimated.

In the Winter of 1961, the Ericsson Group was awarded new major contracts for the expansion of the telephone systems in Colombia, Thailand and Yugoslavia. Ericsson recently announced the receipt of its fourth contract in two years to supply telephone equipment for Brasilia, covering equipment delivered and on order, now total approximately $5,800,000.

The company just released its 1960 Sales and Earnings figures. Sales for 1960 were $196,905,000, an increase of 19% over 1959 sales. Net income for 1960 was $7,668,000, an increase of 30% for the same period.

Ericsson has reported that its backlog is up 50% over a year ago. The expansion of facilities in France and Italy is being pursued vigorously and should enable Ericsson to increase the percentage of business being done in Europe.

Ericsson is my favorite stock because I see in this situation an unusual combination of growth potential coupled with an unusually attractive price-earnings ratio. With earnings projected for the current year at about $1.85 a share (adjusted) on the 6,214,189 shares of Class A and Class B Capital Stock, the shares priced at about 33 are selling at only about 18 times earnings. The stock is traded in the Over-the-Counter Market.

Form American Sec. Co.

MILWAUKEE, Wis. — American Security Company is engaging in a securities business from offices at 5105 North Eighty-fourth St. Donald L. Murphy and Richard E. Murphy are partners.

Should Electric Utilities Moderate Debt Financing?

Continued from page 3

depreciation and obsolescence which actually existed in the utility property.

With all these considerations in mind, the Commission in 1940 issued its opinion in the landmark case of *El Paso Electric Company* (8 SEC 366). In a special Appendix to the opinion (page 383), the Commission referred to the debt-ridden railroad industry and presented the views of various informed commentators on the subject of public utility finance. Without specifically saying so, the Commission appeared to indicate that, generally speaking, long-term debt of an electric utility company should not exceed 50% of total capitalization and surplus, and that long-term debt plus preferred stock should not exceed 75% thereof. On this basis, the common stock equity would be not less than 25%. This came to be known generally as the 50-25-25 policy.

Never Dogmatic

Of course, the Commission has never operated in an inflexible or dogmatic manner, and in appropriate cases it permitted variations from this policy as long as there was a reasonable basis for expecting that excessive amounts of senior securities would be reduced in the foreseeable future and that the marginal nature of the common stock equity would be corrected. As a matter of fact, while this 50-25-25 policy was in effect, the Commission was generally more insistent on adherence to its bench mark of a minimum common equity ratio than to its indicated maximum debt ratio. To some extent, therefore, the debt component of the capital structure was allowed to exceed the indicated bench mark at the expense of the rather ambiguous area occupied by the preferred stock component.

In 1952, in the *Eastern Utilities Associates* case (34 SEC 390), the Commission stated that, generally speaking, long-term debt should not exceed 60% of capitalization and surplus and common stock equity should not be less than 30% thereof. This policy, which has generally been characterized as a 60-10-30 policy, has been adhered to by the Commission in most instances save for special situations as, for example, the financing of certain natural gas pipe line companies which are subsidiaries of registered holding companies and a few natural gas distributing companies.

In a recent case, *Kentucky Power Company, et al.* (Holding Company Act Release No. 14353, Jan. 13, 1961), the Commission approved a financing by a subsidiary company of a registered holding company on a basis which recognized that there existed in the balance sheet of that subsidiary company, as well as in the balance sheets of the other companies in the same holding-company system, a substantial amount of accumulated credits arising from the deduction for Federal income tax purposes of accelerated amortization and liberalized depreciation of utility plant. Under these circumstances, the Commission stated that as long as (1) mortgage debt did not exceed 60% of capitalization and surplus, (2) total long-term debt (i.e., both mortgage debt and unsecured debt) did not exceed 65%, and (3) common equity was not less than 30%, there would appear to be no basis for the Commission, insofar as capitalization ratios are concerned, to make adverse findings with respect to future financings by any company in that holding-company system or to impose terms and conditions in respect thereof. For purposes of meeting these ratio tests, capitalization and surplus and common stock equity were defined to exclude the accumulated balance-sheet credit. The 65% debt limitation provided approximately the same dollar amount of debt in the foreseeable future as a 60% limitation expressed in terms of a capital structure inclusive of the accumulated balance-sheet credit.

Situation in Bygone Days

Let us now compare briefly the condition of the electric utility industry today with what it was some 20 to 25 years ago. The dividend arrears on the operating companies' and holding companies' preferred stocks have all been eliminated; some $1,107,000,000 of electric plant adjustments (i. e., write-ups and other inflationary items) have been eliminated from the plant accounts and approximately $518,700,000 of electric plant acquisition adjustments have been amortized or otherwise disposed of; depreciation reserves have nearly doubled in terms of percentage of utility plant account; the ratio of long-term debt to net utility plant, restated to eliminate the excess over original cost, has been substantially decreased; common equity ratios, also in terms of original cost, have been materially increased; and corporate structures have been substantially simplified.

The coverages of income deductions and of income deductions plus preferred dividend requirements have also been substantially increased. With the tremendous increases that have taken place in utility plant investment, the average age of utility plant has constantly been lowered, to the point where a study completed in 1959 indicates that 50% of today's electric plant is less than 6½ years old and 75% is less than 11½ years old.[1]

While improved economic conditions, of course, are in part responsible for the dramatic improvements that we have witnessed in the financial well-being of the electric utility industry since 1935, including the generally high esteem enjoyed by the securities of electric utility companies, it is obvious that the combined regulatory efforts of the Securities and Exchange Commission, the Federal Power Commission, and the State regulatory commissions contributed extensively to this improved financial condition. In this connection, I should point out that an important aspect of the SEC's regulatory activities in this area has been the formulation of comprehensive protective provisions to be included in bond indentures and in corporate charters in respect of preferred stock.[2]

An additional factor of critical significance has been the advance in the state of the art. Tremendous increases in the size of generating units have been achieved. They have resulted in reductions in the unit cost of installed capacity in the face of increasing costs of materials and labor. There has also been an impressive increase in the thermal efficiency of the steam-electric generating plants. These advances have been accompanied by the ability to transmit ever-increasing blocks of energy from one area to another.

1 See Cook and Cohn, *Capital Structures Utilities under the Public Utility Holding Company Act*, 45 Va. L. Rev. 981, 994 (1959).

2 Holding Company Act Release No. 13105 as to first mortgage bonds and Holding Company Act Release No. 13106 as to preferred stock (both dated Feb. 16, 1956).

Impact of Corporate Tax

But while all these notable strides have been made in the financial and operating aspects of the electric utility industry, a further factor of importance has also made itself felt. It is the corporate income tax rate. In 1935, the rate was 13.75%, while today, as it has been commencing with the year 1952, it is 52%. For rate-making purposes as well as for financial statement purposes, Federal income taxes of electric utility companies are an operating expense and therefore are a matter of vital interest to consumers and investors.

Interest on debt securities is deductible for Federal income tax purposes, whereas dividends on preferred stock issued for new money purposes are not deductible. As a result, on the basis of present corporate income tax rates, one dollar of dividends on new preferred stock capital requires $2.08 of revenues to cover the costs of capital and related income taxes, while one dollar of interest on debt capital requires only one dollar of revenues. Thus, a preferred dividend rate of, say, 5% imposes a revenue requirement of 10.42% to cover the dividend rate and income taxes, as against a revenue requirement of only 5% on debt capital carrying a 5% interest rate. This, incidentally, assumes that the preferred dividend rate and the interest rate are the same —i.e., 5%—but, generally speaking, a debt security will carry a somewhat lower rate than will preferred stock, so that the difference in revenue requirements would be even more pronounced than I have indicated.

During the five-year periods 1946-1950, 1951-1955, and 1956-1960, there has been a declining trend in the dollar amount of preferred stock issued by the electric utility industry as well as in the relative proportion of preferred stock to the total dollar amount of all types of electric utility securities issued. Thus, in the first of these periods, preferred stock issuances amounted to approximately $1,318,000,000, or 16.3% of the aggregate of all security issuances: in the second period, it amounted to about $1,248,000,000, or 13.2% of the aggregate; and in the third period, it amounted to approximately $932,000,000, or 9.2% of the aggregate.

Dearth of Preferred Issues

It may be noted that in 1959 there were only 16 issuances of preferred stock by electric utility companies and that these accounted for only 5% of the dollar amount of all securities sold in that year by electric utility companies. In 1960, the number of preferred issues increased to 21, which constituted 11.2% of the total dollar amount, but they were fewer in number and in total dollar amount than the preferred issues 14 years previously in 1946. During the same five-year periods, debt securities increased both in dollar amount and in their relative percent of all security issuances.

Quite a few electric utility companies have not issued any preferred stock in recent years. Some have not sold any during the last five years, while others have not sold any for an even longer period. The SEC has recently received applications from two electric utility companies in different registered holding-company systems to issue 25-year debentures.

One of these companies last sold preferred stock in 1956, while the other last sold such security in 1954. Each company has first mortgage bonds and preferred stock outstanding in the hands of the public and common stock held by its parent company. Each has indicated that neither it nor its sister companies contemplates issuing any preferred stock in the foreseeable future and that henceforth all financing, so far as they can now estimate, will be effected through bonds, debentures, and common stock. One of the two companies has indicated that if it becomes financially feasible to do so, it and its sister companies will take steps to retire their outstanding preferred stock which carry relatively low dividend rates. While the other company has made no similar representation, it may be assumed that it and its sister companies will do the same thing in the event retirement of their outstanding preferred stock likewise becomes financially feasible.

In any event, with the passage of time, the existing preferred stock in each of these holding-company systems will either gradually become a smaller and smaller percent of the total capital structure, or else will be eliminated entirely.

In one of the applications, the company has provided in its proposed debenture indenture that, as long as the debentures remain outstanding, it will not incur additional long-term debt if total long-term debt would thereby exceed 65% of total capitalization and surplus or common equity would be less than 30%. This means that while the existing preferred stock remains outstanding, the company would be required to have a preferred and common equity aggregating not less than 35%; and if the preferred stock should be retired at some time in the future, the minimum common equity ratio would then be 35%. In the other application, these ratio limitations are not contained in the proposed indenture since the company considers itself subject to substantially the same ratio limitations contained in the recently approved financing of Kentucky Power Company, its sister company to which I referred shortly before. Other protective provisions are contained in both indentures, including a cash sinking fund designed to retire approximately 50% of the issue by maturity, a limitation on common stock dividends, and, as a condition to the issuance of additional debentures, an overall interest coverage requirement of two times before Federal income taxes.

Although both applicant companies have a sizable amount of unfunded property additions against which additional first mortgage bonds can be issued, neither company wishes to limit its future security issuances to first mortgage bonds and common stock. It is their view that if the mortgage debt ratio should become too high, the ratings on all their outstanding bonds as well as future bonds will suffer and that, as maturing bonds are refunded, the cost of debt capital to the company will be higher than if only a portion of the debt capital is supplied with junior debt, i. e., debentures. Both applications are now pending before the Commission, which is expected to act thereon on or about May 25.

I have no way of estimating to what extent other electric utility companies may be encouraged to abandon preferred stock as a vehicle of financing in favor of debentures if the present applications are approved by the Commission. If there develops a trend to debenture financing in place of preferred stock, I think the companies involved would be well advised not to switch back and forth between debentures and preferred stock, since that would entail the use of four classes of permanent securities for future financings. I would prefer to see not more than three classes of permanent securities used for such purpose.

Don't Emphasize Deductibility of Interest Charges

One final word appears in order. While Federal income

taxes are, as I have indicated, an important factor to be considered by management and regulatory agencies in dealing with financing programs of electric utility companies, the tax reductions resulting from the deductibility of interest on debt should not be accorded overriding weight at the expense of a sound and simple capital structure. The financial integrity of the enterprise must be safeguarded and the public interest and the interests of investors and consumers must be protected. In periods of economic adversity where earnings are in decline, the deductibility of interest on debt for Federal income tax purposes may be of little comfort to either investors or consumers.

*An address by Mr. Pines before the 39th Annual Conference of Utility Commission Engineers, Lexington, Ky., May 5, 1961. The Securities and Exchange Commission, as a matter of policy, disclaims responsibility for any private publication by any of its employees. The views expressed in this article are those of Mr. Pines and do not necessarily reflect the views of the Commission or of the author's colleagues upon the staff of the Commission.

U. S. Realty Stock Offered

An initial public offering is being made today May 25 of 661,975 shares of U. S. Realty Investments, Cleveland, at $10 per share. An underwriting group headed by Hornblower & Weeks will offer 386,975 shares to the general public, and 275,000 shares will be offered initially to persons designated by the sponsors. The underwriters will take up and offer any portion of these 275,000 shares which are not designated.

U. S. Realty Investments is an unincorporated association in business trust form designed to qualify as a "real estate investment trust." The purpose of the trust is to provide investors with an opportunity to own, through transferable shares, an interest in the trust which, in turn, will own diversified properties consisting principally of real estate interests.

Initially, the holdings of the trust will consist of office buildings, shopping centers, chain retail establishments, apartment houses and industrial properties. In selecting these properties, major attention has been directed to properties located in the metropolitan area of Cleveland, Ohio. In the interest of geographical diversification, however, consideration may be given in the future to properties in other areas.

It is expected that the trust will qualify, except possibly during the initial fiscal period, as a real estate investment trust under the Internal Revenue Code as now in effect.

The capitalization of the trust as of May 22, 1961 consists of 631,975 shares of beneficial interest and mortgages approximating $8,000,000.

Chicago Trade Board Awards

CHICAGO, Ill. — The Chicago Board of Trade has announced the recipients of the first Fellowships granted by the organization: James P. Reichmann, Robert L. Martin and Robert C. Liebenow. They were selected from a group of 23 candidates.

The $2,500 award for study toward a doctor's degree went to Rollo L. Ehrich of Stanford University. Mr. Ehrich's thesis will be on pricing and futures trading. Joseph H. Stafford of Purdue University received the $1,500 award for study toward a master's degree and will do his thesis on the storing and handling of grain.

Scot Lad Foods Stock All Sold

Hayden, Stone & Co. heads an underwriting group which made an initial public offering on May 23 of 250,000 shares of Scot Lad Foods, Inc. common stock at $12 per share. The offering was oversubscribed and the books closed. Proceeds of the offering will be used to retire debt and the balance added to working capital.

Scot Lad Foods, Inc., located in Chicago, was incorporated in January, 1961, succeeding to the assets and businesses of several companies. A grocery products division of the company distributes food products to approximately 175 supermarkets. Sales volume ranks it among the ten largest "voluntary groups" grocery organizations in the country. Member supermarkets voluntarily purchase approximately 95% of their grocery lines from the grocery products division. A dairy products division operates one of the ten largest dairies in unit volume in the metropolitan Chicago area. Approximately 90% of this division's total volume is sold to retail store outlets and the balance is sold to institutional customers.

Pro forma sales of the company and its subsidiaries for the seven months ended Jan. 31, 1961 totaled $48,968,448 and net was $259,399 compared with sales of $41,161,684 and net of $253,787 for the like seven months ended Jan. 31, 1960. For the year ended in June 1960, sales totaled $71,053,157 and net was $412,669.

Capitalization of the company as of Jan. 31, 1961 and as adjusted to give effect to the offering includes $1,400,000 in long-term debt and 485,000 shares of common stock, $1 par value.

Car Plan Stock Offered

Pursuant to a May 15 offering circular, R. F. Dowd & Co., Inc., made an initial public offering of Car Plan Systems, Inc.'s 10-cent par common stock. 100,000 shares were offered at $3 per share.

Car Plan Systems, Inc. was incorporated under the laws of the State of Florida on March 14, 1960, to engage in the business of leasing automobiles, trucks and other vehicles primarily on a long-term (one year or longer) lease basis. The principal business office of the company is located at 540 Northwest 79th Street, Miami, Fla.

Assuming all shares offered are sold, net proceeds to the company will amount to $230,000 after deducting underwriting commissions and expenses, and expenses of the company, aggregating $70,000. These proceeds will be used for the following purposes in order of priority shown:

Purchase of automobiles, $125,000; Advertising and sales, $35,000; Payment of President's salary and expenses, $12,000; Working capital, $57,500.

Strauss, Phillips & Co.

Lloyd P. Phillips, general partner, and Elizabeth L. Strauss, limited partner, are continuing the investment business of Strauss, Phillips & Co., 2 Broadway, N. Y. City.

No Stagnation Philosophy In Faster Growth Policies

Continued from page 1

sharp focus in the President's proposal for a tax incentive for business investment. But this gets ahead of our story.

The Promise of Growth

The question before the American body economic is not: to grow or not to grow. For grow we will, and grow we must. Rather, the question is: will we grow fast enough to meet the economic needs of a free, but threatened, society? And do we have the knowledge, ingenuity, and self-restraint required to achieve faster rates of growth?

Economic growth is both an end in itself and an instrumentality, both the pot of gold and the rainbow. We seek economic growth in part because we have tested it and found it good. All of us have seen per capita income double within a lifetime, and we would like our children to experience equal or greater gains. We want economic growth for the prosaic reason that it increases wages and profits. But economic growth is also desirable and necessary as a step toward the achievement of other—perhaps deeper—aspects of the national purpose.

Throughout Asia, Africa, and Latin America, new nations are setting themselves on the road to economic development. We would like them to see the vitality and dynamism of a free economy. To show them, we *must* grow. Otherwise, we are seen merely as the lucky inheritors of a rich and empty continent and as early starters toward industrialization. We do not need to grow faster than everyone else; indeed, we should look forward with satisfaction to a slow process of equalization of income around the world And as a nation, we wish to contribute to this process throughout the free world. Hence the Marshall Plan for the postwar reconstruction of Europe; hence our programs of foreign aid today. A generous foreign aid program is a long-term investment in the free world, and it is also easier to maintain out of a growing national product. In addition, a strong and growing American economy provides a dependable market for the exports of the underdeveloped countries and permits them to help themselves.

At home, it is our great pride to be an open society without class conflict, with a career open to talents and a high rate of social mobility. It might perhaps be possible to create and maintain an American society in a stationary economy, but it would surely be difficult. Much of what is best in the American character is a reflection of growth—first through the external frontier as the nation pushed west, and now through the internal frontier of expanding educational, occupational and economic opportunity. When the social pie grows ever bigger, there is less reason to quarrel over who gets the biggest slices.

We have chosen to educate an unprecedentedly larger fraction of our growing population. The unspoken corollary of this choice is that we must provide an ever-increasing number of suitable jobs. And this can happen only through adequate economic growth. I have heard people brush off our current high unemployment rate as being "caused" largely by the influx of young people and women into the labor force—as if only males aged 21 to 65 were entitled to the dignity of useful employment. Growth enables us to look at this influx, not as part of a doctrine of despair but as part of an ode to opportunity.

Economic growth is not the universal solvent, but without it we would find it much harder to meet the demands made on us by our position in the world and by our self-respect at home.

The Record of American Economic Growth

Reliable statistics on the national product of the United States do not go back very far. But the best evidence we have is that in 1909 the Gross National Product in 1954 prices was about $100 billion, or $3,000 per person employed and a bit over $1,000 per person in the population. Almost half a century later, in 1957, the national product had quadrupled. During the same period the labor force and the population doubled, so that output per head had also doubled. In terms of rates of growth per year, the GNP increased by about 3% per year on the average, and 1½% per year per person. At these historical rates, we can say that the annual output of our economy doubles in just under a quarter-century and the output per person doubles in just under a half-century.

There is something majestic about the broad sweep of these indicators of economic progress. But when we look at the record more closely we see that our history has been marked by some periods in which growth was even faster, some when growth was slower, and some, like the unlamented thirties, when little or no growth at all was realized. But these very long-run comparisons contain dangers: how do we measure the wagon-wheels of 1909 against the white-walls of 1957? Perhaps we have most to learn from a closer inspection of the postwar period.

If we look at the record from the beginning of 1947 to the end of 1960, we notice first of all that this has been a period of relatively rapid growth. Real GNP rose at a rate of 3.4% per year in total, and 2.2% per year per person employed. These are higher—substantially higher—than the historical rates of 3 and 1½%. (Never belittle the difference between GNP growth at 3% and at 3½%—at present levels it is a difference of $2½ billion of national product in one year, $15 billion in five, and $33 billion in ten.) In the same 14-year period, the industrial production index grew at just over 3½% per year—even though the last quarter of 1960 was affected by the current recession—and the Nation's stock of privately-owned plant and equipment grew at something like 4½% per year.

If we look even more closely at the curves of postwar aggregate output, there appears to be a watershed about halfway through the period. Between the first quarter of 1947 and the last quarter of 1953, real GNP actually increased by 4.3% per year on the average, while from the fourth quarter of 1953 to the second quarter of 1960, the most recent business cycle peak, the rate of realized increase was only 2.8% per year. If the third quarter of 1955 is used instead of the fourth quarter of 1953, thereby spanning the 1954 recession which marked an end to the stimulus of the Korean War, the growth rate for the earlier period remains essentially unchanged, while that of the later period is significantly lowered.

Now here we must draw an important distinction, namely, between the output the economy is actually producing in any quarter or year and the output that it could produce under conditions of reasonably full employment of men and resources. Note that I am not talking of maximum, emergency, high-pressure output, sustainable only for a short time and with extraordinary effort. I am talking about normal prosperous conditions, with fair price stability. It is clear that 1949, 1954, 1958, and 1960 were years in which we were not achieving our potential.

The potential output of a complex economy is not something that can be directly measured. But, subject to the normal hazards of all scientific work, it can be estimated. We have estimated that in the period since 1955, the potential output of the American economy was growing at about 3½% per year. Note that this is faster than the historical growth of 3% a year that I quoted earlier. But it is also slower than the 4.3% we achieved between 1947 and 1953, slower than the growth rates achieved by some of our European allies during recent years, and slower than we can achieve through determined, private and public effort.

The Sources of Economic Growth And Their Policy Implications

What are the sources of economic growth in a free economy, and how can we tap those sources more effectively?

A revolution in thinking about economic growth has taken place in recent years. The founders of the dismal science thought of mankind as fighting a losing battle against limited land and niggardly nature. They thought that the major, if not the only, source of increased national output was through the difficult process of piling more and more capital and labor into a limited natural resource base. Indeed, they were partly right. One of the keys to economic growth is precisely that classical process of setting aside part of last year's output for investment purposes, to equip new workers with plant, power and machinery at previous levels, and to augment and deepen the stock of capital utilized by the average worker. For countries at low standards of living, this job of saving to create a modern industrial society is a painful one. For us it is easier. But it is still a cost, and if we are serious about economic growth as a national objective, we will have to find ways of increasing public and private savings.

But recent research, done at many of the country's leading centers, both in and outside of universities, has turned up results which have changed our view of the nature of economic growth. For example, studies at the National Bureau of Economic Research, at Rand, and at MIT have compared historical increases in output with historical increases in the tangible, physical productive inputs like land, man-hours of labor, and plant and equipment. It turns out that there is a substantial residual growth of output which cannot be explained in that classical, conventional way. The growth of output has far outstripped the growth of inputs as conventionally measured. We are not yet in a position to state numerical magnitudes with any precision. But it appears likely that less than half of increased output and potential output since the turn of the century can be attributed to the greater number of man-hours worked and the sheer increase in the volume of capital assisting each worker.

Where has the other half come from? It appears that the major contributors are three: the growth of technological knowledge, the improved quality of the labor force, and economics of large-scale production as national and international markets have expanded. While these are all relatively abstract and invisible sources of economic growth, all of them are susceptible of deliberate cultivation, both by private initiative and by public policy. They all suggest that we would do well to broaden our concept of social "capital" beyond bricks and mortar, to include investment in such insubstantial things as education and training, and the stock of useful knowledge.

We have indeed been doing a lot of investment in human capital in the past. Some heroic calculations by Professor T. W. Schultz of the University of Chicago suggest that since 1900 the stock of education embodied in the American labor force has increased almost ninefold. During the same period, the country's stock of reproducible physical capital has increased "only" four or five times. We all know the heavy emphasis that the Soviet Union is placing on education, and especially technical education, in the process of raising itself to a world industrial power. It is true that we began to see our schools and colleges as contributors not only to the quality of life and leisure but to the quantity of output. In President Kennedy's words: "A fundamental ingredient of a program to accelerate long-run economic growth is vigorous improvement in the quality of the nation's human resources. Modern machines and advanced technology are not enough, unless they are used by a labor force that is educated, skilled, and in good health. This is one important reason why, in the legislative programs I will submit in the days to come, I will emphasize so strongly programs to raise the productivity of our growing population, by strengthening education, health, research, and training activities."

As important as the literacy, adaptability and skill of our labor force is the advance of scientific and technical knowledge. Many are probably familiar with the phenomenal growth of research and development expenditures in recent years — they have approximately tripled since 1953. But the spurt in industrial research has been far from evenly distributed; the whole program has been heavily influenced by the vitally necessary military and space programs of the Federal Government. Much remains to be done to bring the stimulus of technological change to industries and sectors which have lagged behind, often for reasons beyond their control.

Capital Formation

After all the emphasis I have placed on these non-material sources of economic progress, I would like to return to capital formation. It would be wrong to forget, in a wave of justified enthusiasm for human and intellectual capital, that these things interact in an important way with investment in plant and equipment. Most improvements in technology must lie fallow until they are embodied in new, productive machinery. It is true that mere investment, without new knowledge and new skills, could not have yielded the growth in output that we have experienced. But it is equally true that the knowledge and skills could not have been productive without taking shape in real capital. Indeed, without the prospect of new investment, much of the technological progress would never have occurred at all. If we are serious about accelerating economic growth, we must be prepared to do what is necessary to step up the rate of productive investment.

If we look again at postwar economic history, it tells in this respect a less optimistic story. Immediately after the war, with backlogs of demand to make up, consumption expenditures ran around 66% of GNP. This fell to 61% during the Korean War, and since 1953 the consumption ratio has been drifting irregularly upward until in 1960 it was back to 65%. In part, of course, this is a reflection of economic slack. Government purchases of goods and services have moved irregularly as a fraction of GNP, although in recent years they seem to have stabilized at about 20%. (There are two offsetting trends here: Federal expenditures have been declining irregularly as a share of GNP since the Korean War peak, while State and local expenditures have been rising fairly steadily.)

But expenditures on producers' durable equipment reached a postwar peak of 8.3% of GNP in 1948 and have been falling more or less steadily since. In 1960 they amounted to 5.7% of GNP. Nonresidential construction has run at about 4% of GNP, so the two together, which represent gross fixed capital expenditures (other than housing) have declined from 12.5% of GNP in 1948 to 9.5% in 1960. By comparison, the investment ratio in the European member countries of OEEC combined rose from an average of 13.3% of GNP in 1951-55 to 15.1% of GNP in 1956-60. If our friends have grown more rapidly than we have, they have worked for it.

The President's proposed incentive tax credit, now before the Congress, is frankly a device to swing the power of the Federal tax system behind the expansion and modernization of our industrial plant. It is an excellent example of an important truth: the tax system is more than a revenue-raising device, it is an instrument of national policy. If we, as a people, desire to make our economy grow faster, increase our productivity, and compete more effectively in world markets, one of the things we must do is invest a larger fraction of our national output. One way of accomplishing that goal is by measures like the investment incentive.

Another step toward faster economic growth would be a rapid return to full employment. Of course, in the process of closing the production gap in our economy we will experience a rapid cyclical increase in GNP. But temporary exhilaration does not exhaust the contribution of full employment to economic growth. In an atmosphere of buoyancy and prosperity, other things happen: labor and other resources become more mobile, pressure on capacity provides a sharp incentive to expansion and modernization, and higher profits provide both the motivation and the wherewithal for further investment.

Full employment, if it is achieved with present levels of government expenditure, will also provide a handsome budget surplus, as our tax system bites deeply into secularly rising incomes. What we do with that latent surplus will also bear on prospects for future growth. Any part returned in general tax reduction would largely find its way into consumer markets. Some part of it might be used to finance growth—promoting expenditures of government. And the part that we retained as debt retirement would be very largely channeled back into the capital markets for financing private investment.

Having reviewed herewith some of the sources and policies for economic growth, let me comment on two related areas on which a good deal of misunderstanding has recently been generated. The first concerns the attempt to pin the "stagnation" label on the Council's analysis of the economy. The second concerns the attempt to confuse the economic and welfare purposes of President Kennedy's proposals.

Stagnation vs. Growth

I have pointed out that (1) in recent years the American economy has fallen short of its vast potential for producing useful goods and services; (2) our potential itself has grown at varying rates, sometimes faster and sometimes—as in the last few years—slower; (3) it lies within our grasp

to raise the rate of growth of our economic might, by public and private policies which lie well within the institutional structures that have served us so well; (4) a return to full employment would itself stimulate capital investment and research expenditures; and thus contribute to a faster growth of potential. For saying these things — particularly the first — I have been labelled a "stagnationist." It is true that I am not identified as just a plain sour old stagnationist, but rather as a "gay" stagnationist, an "optimistic" stagnationist, a sort of Smiling Stagnationist.

Gay or sour, scowling or smiling, I confess I see no merit whatever in this charge. If your doctor were to tell you that you haven't been gaining in height, weight, and strength as rapidly as your constitution permits, and if were to prescribe for you a little brisk exercise and a diet of red meat, would you write him off as a stagnationist? No, I think you would go right out and eat.

If there is any coherent doctrine called "stagnationism," it presumably consists of the belief that a private enterprise economy, once it reaches a high level of income, is incapable of rapid growth. It is an integral part of this proposition that a private enterprise economy cannot even utilize fully its capacity to produce unless it devotes the lion's share of its output to private and public consumption. For capital formation is a forward-looking and a growth-induced, growth-creating use of output; and an economy which is incapable of rapid growth has no need for added investment and no use for it.

But my position—and that of my colleagues in the Council—has consistently been to the contrary. Far from suggesting that more rapid growth is beyond our reach, we have shown that our economic potential — the true measure of our capacity to satisfy needs—has been growing throughout the postwar period at faster-than-historical rates. In the light of slower growth in the last few years than in the immediate postwar period, our position has been that the earlier vigor can be and should be recaptured. Surely, to accomplish full recovery requires that total disposable income, wage payments, and consumption be raised side by side with profits and investment. But once we have attained full recovery, our choice for acceleration of growth has been consistent and clear: it calls, not for higher ratios of consumption to investment, but for a high-investment economy, a high-research economy, a high-education economy.

President Kennedy's proposals for a tax credit to stimulate the modernization and expansion of industrial capacity and for Federal aid to bolster our educational system at all levels stand witness to the Administration's desire to accelerate our economic growth and to its belief that the job can be done. Studies are planned or under way to survey our natural resource needs and riches, to spot possible bottlenecks before they arise to hobble our economic expansion. We are actively investigating ways of stimulating and assisting industrial research in sectors of the economy which have lagged behind in exploiting modern science and engineering to achieve higher productivity.

If these are the theories and proposals of stagnationists, then Pollyanna was a prophet of gloom and doom.

Welfare Programs and Growth Programs

Economic policy doesn't always come in neat compartments labelled: Business Cycle, Growth, Public Welfare, Balance of Payments, and Inflation. There is often overlap, and policies which are aimed at one set of problems may have side-effects on others. So, for instance, we have had to relearn the lesson—which Europeans have never had a chance to forget—that monetary policy directed at full recovery and rapid growth may have perverse impacts on the balance of payments. Of course, not all of the instruments of economic policy have such broad ramifications as monetary policy. Some are relatively simple and fit clearly into one or two of the pigeonholes. For example, the President's proposals for better medical care of the aged fit clearly into the public welfare category, and are *not* defended, as some critics have suggested, on the ground that they stimulate growth. But the President's program for medical education and research and community health facilities will, in the longer run, improve the health of our working population, making it more productive—these programs, then, *do* have growth overtones.

Sometimes the multiple relations among policies are troublesome, when the side-effects are perverse. Sometimes the side-effects are a bonus, when they permit us to kill two or more birds with one stone. A case in point is President Kennedy's proposal for improving the old-age, survivors and disability insurance program. While the fundamental motive for these proposals is common compassion and equity, it is no less true that a recession is a good time to generate additional purchasing power. The careful policy maker notes that extra desirable stimulus and welcomes it. Several of the President's early proposals had this double-barreled effect of appealing to decency and yet helping to support spendable incomes at a time when that is economically desirable — I mention only the extension of temporary unemployment compensation and the aid to dependent children program.

Policies designed primarily to stimulate economic growth often turn out to have the desirable dual-purpose feature; and this is no wonder, because the wellsprings of economic growth lie deep in the economic and social fabric. Education is a beautiful example. The American tradition values education for its own sake; we led the world in the provision of free public education at all levels of society. And yet we now feel fairly certain that the resulting improvement in the quality of the labor force has been one of the major factors in the economic growth of the last half-century. It is a pleasure to be able to do something for two equally good reasons, when either one alone would be enough to justify what we do.

A related example is the President's investment incentive tax credit proposal. The fundamental justification for the proposal is the stimulus it will give to the modernization and expansion of industrial capacity and thereby to economic growth. But the resulting improvement in productivity will also have favorable effects on the balance of payments; and even in the immediate recession situation, the income generated by the investment will outstrip the net addition to capacity, so the short-run business cycle effect is favorable too. A nation that can invent a gadget that peels potatoes, shreds cabbage, slices cucumbers and scales fish should find multiple-purpose economic policy easy to understand and a pleasure to have around the house.

Conclusion

To avoid misunderstanding, let me make three cautionary points concerning my review of the growth problem today. First, I have dealt mainly with the sources rather than the uses of growth, important as the latter subject may be. Second, my probe has been selective, rather than comprehensive, highlighting the unfolding knowledge in this area and the central approaches to policy for faster growth, rather than cataloguing all available findings on growth generators and all possible measures to speed growth. Third, I am acutely aware of the large areas of ignorance that still remain in this field. The Council of Economic Advisers is engaged in both domestic studies and international comparative studies to push out the bounds of knowledge on economic growth. We look forward to steady progress in our understanding of the various roots of economic growth and of the private and public policies that can step up the growth rate.

These efforts rank high on our agenda. For in the struggle for the minds of men, we must show that a free democratic society can muster the national will and the means to solve its problems at home. Poverty, insecurity, unemployment, inequality of opportunity, urban blight—these are all the more a disgrace because our society so clearly has the means to eradicate them. Achieving faster rates of economic progress and full use of our growing capacity to produce is the surest way to demonstrate the resilience and vitality of our free economy.

***An address by Mr. Heller before the Loeb Awards Fourth Annual Presentation Luncheon, New York City, May 18, 1961.**

Eleventh Annual Session of Course On Economics of Capital Formation

The University of Vermont will present the eleventh annual course on the economics of capital formation, the nature and operation of securities markets and security analysis, under the direction of Dr. Philipp H. Lohman, Converse Professor and Chairman of the Department of Commerce and Economics.

The course will be presented in New York City from June 12 through July 21 and carries graduate or undergraduate credit of six semester hours. Registration should be filed with the Director of the Summer Session, 147 Waterman Building, University of Vermont, Burlington, Vt. Tuition for the six-semester course for residents of Vermont is $90; for non-residents, $150. New students should mail with their applications a $10 deposit to the Director of the Summer Session, which amount will be credited toward tuition. Arrangements have been made for residence for students at the Hotel Latham, New York; those who plan to stay at the hotel must pay to the University of Vermont $105 for one-half a double room with bath from June 11 through July 20; single rooms are available at a higher rate. Tuition and room fee must be paid to the University by June 9.

Program for the session will include:

Role of the Finance Industry in the Process of Capital Formation—Dr. Philipp H. Lohman.

New York Stock Exchange and Broader Shareownership — Ruddick C. Lawrence, Vice-President of the New York Stock Exchange.

Floor Procedure and Round-Lot Trading on the New York Stock Exchange—Adolph P. Morris, Estabrook & Co.

New York Stock Exchange—Its Organization and Its Member Firms — John H. Schwieger, Vice-President of New York Stock Exchange.

Specialist on the New York Stock Exchange—Kenneth R. Williams.

Financing Philosophy and Stockholder Relations of a Listed Company—L. Chester May, Treasurer American Telephone & Telegraph Co.

Odd-Lot Trading on the New York Stock Exchange — Stuart Scott, Jr., Carlisle & Jacquelin.

Stock Clearing Corporation on the New York Stock Exchange—Walter H. Crissey, Vice-President, Stock Clearing Corporation.

Writing Market Letters — Lucien O. Hooper, W. E. Hutton & Co.

Stock Ticker and Quotations—Dr. P. H. Lohman.

Put and Call Options — Herbert Filer, Filer, Schmidt & Co.

Listing of Securities on the New York Stock Exchange — Phillip L. West, Vice-President of the New York Stock Exchange.

Economic and Social Functions of the American Stock Exchange—John J. Sheehan, Vice-President of the Exchange.

Listing of Securities on the American Stock Exchange—Martin J. Keenan, Vice-President of the Exchange.

Floor Procedures — Arthur A. Bellone, Vice-President of American Stock Exchange.

Admissions and Outside Supervision—H. Vernon Lee, Jr., American Stock Exchange.

Quoted Markets in Over-the-Counter Securities—L. E. Walker, President of the National Quotation Bureau.

Over-the-Counter Securities Market—Col. Oliver J. Troster, Troster, Singer & Co.

Practices and Techniques in the Over-the-Counter Market — Carl Stolle, G. A. Saxton & Co. Inc.

Analysis of the Technical Action of the Stock Market—Edmund W. Tabell, Walston & Co. Inc.

Economic Outlook—Harold X. Schreder, Distributors Group Inc.

Organizing and Financing a New Business —Thomas E. McGinty, Model, Roland & Stone.

Outlook for Atomic Energy — Paul F. Genachte, Chase Manhattan Bank.

Regulation of Securities Markets—James C. Sargent, C. I. T. Financial Corp.

Functions of the Corporate Trust and Paying Agent—Arthur F. Henning, Chase Manhattan Bank.

Functions of the Transfer Agent and Registrar—Herdic W. King, Chase Manhattan Bank.

Role of the Investment Banker—Originating and Underwriting—Edward Glassmeyer, Blyth & Co. Inc.; Syndication and Distribution — Robert A. Powers, Smith, Barney & Co.

Money Market—Mr. Lohman.

Commercial Banks and the Money Market — Bernard J. Martin, First National City Bank of New York.

Government Securities Market — Girard L. Spencer, Salomon Brothers & Hutzler.

Mortgage Financing — Kurt F. Flexner, American Bankers Association.

Federal Reserve and the Credit Market—Paul Meek, Federal Reserve Bank.

U. S. Government Securities and the Money Market—John A. Reed, Federal Reserve Bank.

Federal Reserve Policy Formation—Robert Lindsay, Federal Reserve Bank.

Operations of the Trading Desk—Alan R. Holmes, Federal Reserve Bank.

United States Balance of Payments—Current Issues—Merlyn N. Trued, Federal Reserve Bank.

Private International Financial Relations —August Maffry, Irving Trust Co.

International Monetary Fund, in relation to World Trade and the Structure of Exchange Rates—Oscar L. Altman, International Monetary Fund.

Policies and Operations of the World Bank—William L. Bennett, International Bank for Reconstruction and Development.

Corporate Bond Market—Daniel M. Kelly, Salomon Brothers & Hutzler.

Municipal Securities—J. Sheafe Satterthwaite, Jr., Granbery, Marache & Co.

Growth and Importance of Investment Companies—Harold S. Oberg, National Association of Investment Companies.

Investment Management of Pension Plans: Selection of Investments—David S. Carroll, Chase Manhattan Bank.

Analysis of Insurance Company Securities—George T. Stewart, Blyth & Co. Inc.

Role of the Analyst in the Securities Industry—Richard R. Fields, Dreyfus & Co.

Evaluation of the Steel Industry—Philip E. Albrecht, Merrill Lynch, Pierce, Fenner & Smith Inc.

Outlook for the Aluminum Industry—Robert Maloney, Standard & Poor's Corp.

Outlook for the Auto Industry—Charles N. Morgan, Jr., Bache & Co.

Analyst Looks at Public Utilities—Charles Tatham, Bache & Co.

Trading of Commodities—Bernard Colodney, Monitz, Wallack & Colodney.

Outlook for the Rails—Pierre R. Bretey, Hayden, Stone & Co.

Electronic Developments in the Communications Business — H. M. Boettinger, American Telephone & Telegraph Co.

Economic Growth in Canada Since 1939 — James R. Clarke, Dominion Securities Corp.

Maintaining Sound Relations With Stockholders—H. J. Meier, Standard Oil Co. of New Jersey.

Role of Oil in World Energy—Robert Ihrie, Standard Oil Co. of New Jersey.

Financing Oil Operations—At Home and Abroad—Hanon L. Cone, Standard Oil Co. of New Jersey.

AS WE SEE IT

Continued from page 1

exhausting their already meager jobless benefit rights.

"Nearly one-eighth of those who are without jobs live almost without hope in nearly a hundred especially depressed and troubled areas. The rest include new school graduates unable to use their talents, farmers forced to give up the part-time jobs that had balanced their budgets, skilled and unskilled workers laid off in such important industries as metals, machinery, automobiles and apparel.

"Our recovery from the 1958 recession, moreover, was anemic and incomplete. Our Gross National Product never regained its full potential. Unemployment never returned to normal levels. Maximum use of our industrial capacity was never restored.

"In short, the American economy is in trouble. The most resourceful industrialized economy on earth ranks among the last in economic growth. Since last spring it has actually receded. Business investment is in decline. Profits have fallen below predicted levels. Construction is off. A million unsold automobiles are in inventory. Fewer people are working—and the average work week has shrunk well below 40 hours. Yet prices have continued to rise — so that now too many Americans have less to spend for items that cost them more to buy.

"Economic prophecy is at best an uncertain art — as demonstrated by the prediction one year ago from this podium that 1960 would be 'the most prosperous year in our history.' Nevertheless, forecasts of continued slack and only slightly reduced unemployment throughout 1961 and 1962 have been made with alarming unanimity — and this Administration does not intend to stand helplessly by.

"We can not afford to waste idle hours and empty plants while awaiting the end of a recession. We must show the world what a free economy can do — to reduce unemployment, to put unused capacity to work, to spur new productivity, and to foster higher economic growth within the framework of sound fiscal policies and relative price stability."

Again in Gloomy Mood

In less than two weeks the President was again on his feet—this time addressing an audience of leading businessmen brought together by the National Industrial Conference Board — and again lamenting the low estate to which American business had fallen and calling upon leading industrialists to join his Administration in doing something about the situation. To this day, however, he has not come forward with any broad program for the purposes he says he has in mind. Such proposals as he has made—and he says they should tend to help in one degree or another to stimulate business and spur economic growth—are measures which have far more appeal as humanitarian programs and as political maneuvers than steps to help business to go ahead more vigorously.

Yet signs of an end of the recession now abound. There is even talk of the next year showing record heights of production and trade. The horrible depression which the President painted for the American people is now being estimated by competent economists as a decline of some 2% in the economy—a fact which discloses that not much of a gain would be required to reach very high levels. It is of special interest to note that spokesmen for the Kennedy Administration have in more than one instance joined in the song of optimism for the coming months. Now, of course, these forecasts may prove as untrustworthy as those that were being made at the turn of the year, but the mere fact that they are now being made with such unanimity, or almost unanimity, is of special interest at this time, as is the fact that they have what appears to be a solid statistical basis.

Knocked into a Cocked Hat

As to the current (or should we say the late?) stagnation theory of American business, the claim that American business has for some years been losing its vim and momentum, slowing down in its rate of growth and failing to recover fully from recessions, and not maintaining upward trends for the usual period of time, the idea has been scientifically knocked into a cocked hat by the late Aubrey G. Lanston and more recently and quite effectively by Professor Arthur Burns whose ability to adjudge such things can hardly be challenged any more than his detachment from current politics. Thus it is not too much to say that one of the major premises of the present Administration and of all those who have been advocating drastic steps to stimulate the economy and to put new life into it is left in a decrepit condition.

And this is the most important truth to be extracted from all that has taken place during the past few months in the course of business and in the attitude of the public officials thereto — namely, that there is no basis for the drastic steps which many in Washington would take to put greater life into American business, either by way of bringing an end to the recession or of restoring what is commonly supposed to be our debilitated rate of growth. We must not fail to draw that inference.

Northern Instr. Stock Offered

Pursuant to a May 12 offering circular, I.R.E. Investors Corp., 3000 Hempstead Turnpike, Levittown, N. Y., publicly offered on May 24th 75,000 shares of the one cent par common stock of Northern Instrument Corp. at $4 per share.

The issuer has been in business a little more than a year and has no significant earnings record. Investors will be speculating on the ability of the issuer to operate profitably in fields in which substantial potential competition exists from firms which are larger and have more financial resources. The company does not have patent protection on its devices although a patent attorney has been employed and is engaged in preparation of a patent application for the treadle detector.

Northern Instrument Corp. was chartered in New York State on Nov. 12, 1959. The corporation was activated on a full time basis in 1960 when designing, testing and production operations were commenced with full and part time employees under the direction of Kenneth C. Collins, the President, at temporary quarters at West Babylon, New York.

Mr. Collins, the President, is an electronics engineer who has worked for more than 10 years in diversified phases of designing and producing electronic devices. From his experience and observation in this period, he concluded that there is a vast body of engineering and electronic knowledge developed in the "defense" industries which can be applied to improve the efficiency and productivity of civilian industry.

It is Mr. Collins' intention to retain contact with the "defense" industries by continuing to devote a portion of the time and efforts of the staff of NIC to military work so as to keep abreast of the rapid developments in that field as this may provide a source of new processes that can be adapted to use in general industry.

Varicraft Indus. Stock Offered

Peter Herbert & Co., Inc., 150 Broadway, N. Y. 38, N. Y., is offering publicly 120,000 shares of the 5 cent par common stock of Varicraft Industries, Inc., of Pennsauken, N. J.

The stock is priced at $2.25 per share, and the net proceeds will be used by the issuing company to reduce outstanding indebtedness, for expansion, and for general corporate purposes.

Of the shares offered, 20,000 are being offered for the account of the underwriter, as selling stockholder.

Form Lambert & Son

WASHINGTON, D. C. — Lambert & Son, Investments, Inc., has been formed with offices at 1010 Vermont Avenue, N. W., to engage in a securities business. Officers are Grace Lambert, President and Treasurer; Arthur R. Weinstein, Vice-President, and Geraldine Weinstein, Secretary. Mrs. Lambert was formerly local manager for First Republic Corporation, with which Mr. Weinstein was also associated.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

People Are People

A young salesman came up to me recently and fairly exploded. He had just been exposed to a situation that happens very often when certain investors become emotionally entangled with their securities. The emotional factors which are so often present when some people buy and sell securities makes it imperative that a security salesman learn certain of the rules that particularly apply to this type of salesmanship. A man may buy a car, a suit of clothes, a boat or a house, and unless he's picked up a real AAA lemon he learns to live with his bargain.

Not so with some people's securities. There are people who believe that it is a discredit to their ability and intelligence if they take a loss on an investment, or if they sell too soon, or buy too late, or make any of the mistakes that other better balanced individuals take in their stride. These people are touchy to a point of extreme sensitivity and the security salesman who expects to deal with them has to be as good a psychologist as a security analyst.

Don't Tell Me What to Do

It seems that this salesman had carefully nursed one of his customers into holding a stock that started its advance from around the 42 level all the way up to about 58. This advance required about two months' time. The stock had not been purchased from this salesman, but it had already been acquired by the customer when the salesman learned about it. It was in the customer's account with another firm. The stock acted well and this salesman constantly kept advising his client to hold, while at the same time he was told that a salesman from the other firm had tried to get the customer to sell it from the 49 level upward.

This went on for weeks; one salesman telling the customer to sell, the other to hold. Finally the stock got up to around 58 and began to falter so the salesman who had been advising to "hold" called the client and suggested that it might be advisable to sell 100 shares which would still leave the investor with 400 that could be sold on a scale upward if market action warranted it.

After quite a bit of discussion the salesman finally said, "Why not sell 100 shares and play percentages. You have a good profit, the stock is beginning to look tired; if you are wrong you still have 400 shares that you can sell at a higher level. If you are right, you have taken some profit and you are beginning to hedge your bet on this market.' The customer finally conceded and an order was given to sell 100 shares which was done at about 58. In the next two days the stock ran up to about 61. The customer telephoned and was very upset. He gave this salesman quite a going over. Forgotten was all the effort this salesman extended to keep him in the stock from 42 upward against the constant blandishments of the competitor's advice to sell at 48 and up. "You and your percentage," said the customer, "I'll percentage them myself from now on."

You're Right But You're Wrong

Only a few days more elapsed and the stock was down to 57. Then more selling came in and it went lower to around 55. Our salesman then called his customer and gave him a few market quotations. Gingerly he approached the subject of what to do with the remaining 400 shares and his customer told him that he wasn't worried. he had decided to keep it. If it went down to about 52 he expected to buy back the 100 shares that he had sold at 58 on this salesman's suggestion. Of course there was no thank you, nor any apologies for the rough way he treated the salesman after the stock had advanced to 62. The salesman asked if he would like to place an open order to buy the 100 shares and the customer said he would watch the stock and, if it sold down to that level, he would give him an order.

Markets being what they are, the stock began to decline farther and the other day it hit 53. Being a young man of long memory, and attending to his business, our salesman telephoned the customer and reported the fact, reminding him that he would be glad to buy back, at 52, 100 shares that was sold at 58. "Buy it back" exploded the customer. "Boy, are you out of your mind? I sold that issue at 55½ and am I glad I am out of it. I made mine and that's what I call a profit. If I can pick up about 13 points on 500 shares in this market that's good enough for me."

There is one thing you learn after you have been dealing with security buyers for a while. SOME PEOPLE MEAN WHAT THEY SAY AND THERE ARE OTHERS WHO DON'T.

Di Giorgio Stock Offered

A public offering of 275,000 common shares of Di Giorgio Fruit Corp., at a price of $17.50 per share, is being made today (May 25) by an underwriting group headed by Dean Witter & Co.

Proceeds of the sale will be used by the company to reduce the $5,500,000 balance due on a long term note. The indebtedness was incurred in 1959 to acquire substantially all of the common stock of S & W Fine Foods, Inc.

The primary business of Di Giorgio Fruit Corp. is the growing and marketing of fresh fruits and vegetables; processing and marketing of canned goods; operating a wholesale grocery trade in the San Francisco area; production and distribution of frozen and canned citrus juices; and production and marketing of bulk and bottled wine.

For the year 1960, Di Giorgio reported sales of $102,344,986, and a net profit of $1,278,244.

Geo. Gibbons in New Location

Geo. B. Gibbons & Co., Inc., dealers in municipal bonds, announce the removal of their offices to One Chase Manhattan Plaza, New York City.

Zuckerman, Smith In New Offices

Zuckerman, Smith & Co., members of the New York Stock Exchange, have announced the removal of their offices to new quarters on the 12th floor at 30 Broad St., New York City. Phone number remains unchanged, Hanover 2-5300.

New Beckman Branch

JACKSON, Calif. — Beckman & Co., Inc. has opened a branch office on Water Street, under the management of Amelia N. Davies.

STATE OF TRADE AND INDUSTRY

Continued from page 9

operations could reach 75% next month.

Steel and Metalworking Recovery More Vigorous Than Anticipated

The recovery in steelmaking and metalworking operations is turning out to be more vigorous than many people anticipated, *Steel* magazine said.

The month of May is shaping up as the steel industry's best month in a year, and prospects are good that June will be even better.

Even the most conservative steelmen are encouraged by the breadth of the market's recovery, the weekly metalworking magazine said. Some mills are getting more new business from the construction industry and appliance manufacturers than from the automakers.

But continued strong demand from automakers is the main reason for the improved June outlook.

The car companies are expected to build about as many autos next month as they'll assemble in May (more than 500,000). Sales are projected at about the same rate, so dealer inventories should stay close to the 900,000 level through July.

That's about 250,000 more cars than the industry normally has in stock at that time, but *Steel's* Detroit sources think the higher inventory will be maintained as insurance against a possible strike.

Steelmaking operations are at the highest level since a year ago. This week is expected to mark the 11th consecutive week of gain in tonnage produced. *Steel* estimates last week's output at 2,025,000 ingot tons.

Buying interest in scrap has improved. *Steel's* composite price on No. 1 heavy melting grade held at $36.33 a gross ton after five consecutive weekly declines (from $39.67).

Steelmakers are still promising quick deliveries on most products. Major producers don't have the flexibility that they had earlier in the spring, but they can take more business without falling behind. They're quoting three to five week delivery on cold rolled sheets and two to three weeks on hot rolled.

Service centers (warehouses) have stepped up their ordering from mills, *Steel* said. As of May 1, their inventories stood at 2.9 million net tons—50,000 tons higher than they were on April 1.

A slow but steady gain in steel service center business has been underway for two months. With basic steel operations rising, service centers expect to feel the full effect of increased demand in the last quarter. It should mean that their order volume this year will be 5% to 10% over that of 1960.

The bellwether copper and brass industry looks for a 4.5% increase in sales volume this year. If the sales trend rises through this year and the first half of 1962, it could signal a sturdy advance for the entire metalworking industry.

The industry is developing a major program to woo the automotive industry, the largest single market for copper mill products, *Steel* reported. The aims: To keep present uses, to encourage new ones, and to win back some that have lost out to competing materials.

Steel Production Data for the Week Ended May 20

As previously announced (see page 26 of our issue Dec. 22) the American Iron and Steel Institute has materially changed its weekly report on the steel industry operations. The revised formula no longer relates production totals as a percentage of the industry's operating rate based on the Jan. 1, 1960, over-all productive capacity. Instead, and effective Jan. 1, 1961, the output figures are given as an index of production based on average weekly production for 1957-59.

The revised method of reporting presents the following data:

Production for week ending May 20, 1961, was 2,037,000 tons (*109.3%), a 2.5% increase and output of 1,988,000 tons (*106.7%) for week ending May 13.

Production this year through May 20 amounted to 33,012,000 tons (*88.6%), or 34% below the 50,010,000 tons (*134.2%) in the period through May 21, 1960.

The Institute concludes with Index of Ingot Production by Districts, for week ended May 20, 1961, as follows:

	*Index of Ingot Production for Week Ending May 20, 1961
North East Coast	108
Buffalo	118
Pittsburgh	93
Youngstown	98
Cleveland	123
Detroit	134
Chicago	113
Cincinnati	116
St. Louis	122
Southern	104
Western	128
Total industry	109.3

* Index of production based on average weekly production for 1957-59.

Auto Production 18.1% Below Same Week Last Year

With 44 of the nation's 47 auto assembly plants active, including a few scheduling Saturday overtime, U. S. passenger car production this week will reach 126,765, *Ward's Automotive Reports* estimated. Output will be a scant 2% below the 1961 high of 129,402 units completed last week, but some 18.1% below the 154,755 cars made in the same week last year.

Ward's said that shutdowns in Ford Motor Co. and Chrysler Corp. plants in Los Angeles, and Chrysler's Dodge - Plymouth facility at St. Louis accounted for the slight drop in the total car count. A General Motors plant at Linden, N. J. was on strike until Thursday. American Motors Corp. and Studebaker - Packard maintained full five-day schedules.

Saturday overtime shifts were added at Ford's Dearborn, Lorain, Ohio and Metuchen, N. J. plants. Chevrolet operations at Norwood, Ohio were also extended to six days.

The statistical service said that U. S. truck production made a 1.6% gain to 24,613 completed units this week compared with 24,215 in the week-ago session, and equal to 87.1% of 28,261 trucks made in the comparable period a year ago.

Among truck makers, International Harvester continued nine-hour shifts on heavy-duty operations. Other truck plants averaged a full five-day week.

Car makers were generally scheduling full activity next week to offset one-and two-day holidays surrounding Memorial Day, May 30.

Chrysler and American Motors Corporations planned to exclude Monday, May 29 from assembly schedules; General Motors, with the exception of Cadillac division, Ford Motor Co. and Studebaker-Packard will be active on that day.

Of this week's car production, General Motors accounted for 48.8%; Ford Motor Co. 32.8%; Chrysler Corp 9.8%; American Motors 7.4%; and Studebaker-Packard Corp. 1.2%.

Business Failures Lowest in 19 Weeks

Commercial and industrial failures continued down to 303 in the week ended May 18 from 368 in the preceding week, reported Dun & Bradstreet, Inc. At the lowest level in 19 weeks, casualties dipped slightly below their 1960 toll of 313 for the comparable week, although they remained above the 259 occurring in 1959 and exceeded by 5% the prewar toll of 289 in 1939.

Electric Output 3.8% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, May 20, was estimated at 14,352,000,000 kwh., according to the Edison Electric Institute. Output was 74,000,000 kwh. above that of the previous week's total of 14,278,000,000 kwh. and 521,000,000 kwh., or 3.8% above that of the comparable 1960 week.

Lumber Shipments Were 9.5% Behind That of 1960 Volume

Lumber production in the United States in the week ended May 13, totaled 244,655,000 board feet, compared with 233,790,000 board feet in the prior week, according to reports from regional associations. A year ago the figure was 255,848,000 board feet.

Compared with 1960 levels, output declined 4.4%, shipments were down 9.5%, and orders dropped 15.7%.

Following are the figures in thousands of board feet for the weeks indicated:

	May 13, 1961	May 6, 1961	May 14, 1960
Production	244,655	233,790	255,848
Shipments	231,251	244,735	255,468
Orders	214,284	221,262	254,189

Intercity Truck Tonnage for May 13 Week Was 2.8% Below 1960 Week

Intercity truck tonnage in the week ended May 13, was 2.8% below that of the corresponding week of 1960, the American Trucking Associations, Inc., announced. Truck tonnage was 3.3% behind the volume for the previous week of this year.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

Freight Car Loadings Increased 1.4% Above Preceding Week

Loading of revenue freight in the week ended May 13, 1961, totaled 551,405 cars, the Association of American Railroads announced. This was an increase of 7,861 cars or 1.4% above the preceding week.

The loadings represented a decrease of 88,600 cars or 13.8% below the corresponding week in 1960, and a decrease of 141,591 cars or 20.4% below the corresponding week in 1959.

There were 11,755 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended May 6, 1961 (which were included in that week's over-all total). This was an increase of 948 cars or 8.8% above the corresponding week of 1960 and an increase of 3,289 cars or 38.8% above the 1959 week.

Cumulative piggyback loadings for the first 18 weeks of 1961 totaled 191,641 for an increase of 3,801 cars or 2% above the corresponding period of 1960 and 57,860 cars or 43.2% above the corresponding period in 1959. There were 58 class I U. S. railroad systems originating this type of traffic in the current week compared with 52 one year ago and 47 in the corresponding week in 1959.

Wholesale Commodity Price Index Down Somewhat in Latest Week

There was a slight dip this week in the general wholesale commodity price level, with lower prices on grains, livestock and lard offsetting increases on coffee, sugar and tin. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 268.22 (1930-32=100) on May 22, compared with 269.27 a week earlier and 274.40 on the corresponding date a year ago.

Wholesale Food Price Index Down to Lowest Level in Almost 14 Months

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., dipped this week to the lowest level in almost 14 months. On May 23 it fell 0.7% to $5.86 from the week earlier $5.90 and it was down 1.4% from the $5.94 of the corresponding date last year. The current decline was the sixth in a row and the index was at the lowest level since the $5.84 of March 9, 1960.

Mother's Day and Better Weather Help Retail Trade

Good weather in many areas and the later Mother's Day this year helped over-all retail trade in the week ended May 17 climb noticeably over both the prior week and the similar 1960 period. Noticeable year-to-year gains in women's apparel and moderate increases in children's merchandise, furniture, linens, and television sets offset some declines in major appliances, floor coverings, hardware, and garden implements. Sales of men's apparel and draperies were close to a year ago. Scattered reports indicate that volume in new passenger cars rose from a week earlier, but it remained below last year.

The total dollar volume of retail trade in the week ended May 24, was 8% to 12% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1960 levels by the following percentages: South Atlantic +14 to +18; Middle Atlantic +13 to +17; East North Central +10 to +14; Pacific Coast +8 to +12; New England +1 to +5; West North Central and Mountain 0 to +4; East South Central and West South Central —1 to +3.

Nationwide Department Store Sales Increase 17% From 1960 Week

Department store sales on a country-wide basis taken from the Federal Reserve Board's index for the week ended May 13, 1961, showed an increase of 17% above the like period last year. For the week ended May 6, a decrease of 10% was reported. The four week period ended May 13, 1961, is unchanged over last year.

According to the Federal Reserve System, department store sales in New York City for the week ended May 13, showed a 20% gain over the same period last year. In the preceding week ended May 6, sales showed a 9% decrease over the same period last year. For the four weeks ended May 13, a 3% increase was reported above the 1960 period, while from Jan. 1 to May 13 showed a 1% increase over last year's sales.

Form Fund Distributors

FT. WAYNE, Ind. — Fund Distributors, Inc. has been formed with offices at 229 West Berry Street to engage in a securities business. Officers are Phil J. Schwanz, Chairman of the board; Charles A. Lord, President; Ralph D. Clingaman and Paul E. Griner, Vice-Presidents; and Ralph E. Sheets, Secretary-Treasurer.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (per cent capacity)	May 28	70.0	68.0	61.0	66.9
Equivalent to—					
Steel ingots and castings (net tons)	May 28	2,037,000	1,988,000	1,784,000	1,906,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	May 12	7,013,160	*7,143,310	7,248,810	6,890,510
Crude runs to stills—daily average (bbls.)	May 12	7,906,000	7,878,000	7,789,000	8,034,000
Gasoline output (bbls.)	May 12	28,376,000	27,470,000	27,994,000	27,964,000
Kerosene output (bbls.)	May 12	2,158,000	2,331,000	2,462,000	2,496,000
Distillate fuel oil output (bbls.)	May 12	11,657,000	11,340,000	11,487,000	11,762,000
Residual fuel oil output (bbls.)	May 12	6,075,000	5,788,000	5,581,000	6,065,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	May 12	216,066,000	216,732,000	223,176,000	216,059,000
Kerosene (bbls.) at	May 12	27,090,000	26,897,000	26,494,000	21,947,000
Distillate fuel oil (bbls.) at	May 12	85,530,000	84,857,000	86,634,000	85,933,000
Residual fuel oil (bbls.) at	May 12	43,354,000	41,715,000	42,312,000	38,263,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	May 13	551,405	543,544	522,386	640,005
Revenue freight received from connections (no. of cars)	May 13	491,105	496,408	479,129	542,404
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	May 18	$410,700,000	$559,700,000	$457,500,000	$498,000,000
Private construction	May 18	259,500,000	340,700,000	241,700,000	289,200,000
Public construction	May 18	151,200,000	219,000,000	215,800,000	208,800,000
State and municipal	May 18	178,600,000	173,100,000	178,400,000	178,200,000
Federal	May 18	32,600,000	45,900,000	37,400,000	30,600,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	May 13	7,425,000	7,315,000	7,020,000	8,380,000
Pennsylvania anthracite (tons)	May 13	328,000	321,000	293,000	296,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	May 13	157	140	130	134
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	May 20	14,352,000	14,278,000	14,311,000	13,831,000
FAILURES (COMMERCIAL AND INDUSTRIAL)—DUN & BRADSTREET, INC.	May 18	303	368	320	313
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	May 15	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	May 15	$66.44	$66.44	$66.44	$66.41
Scrap steel (per gross ton)	May 15	$36.50	$36.50	$37.83	$33.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	May 17	30.125c	29.600c	28.600c	32.600c
Export refinery at	May 17	29.750c	29.450c	27.700c	29.800c
Lead (New York) at	May 17	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	May 17	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	May 17	12.000c	12.000c	12.000c	13.500c
Zinc (East St. Louis) at	May 17	11.500c	11.500c	11.500c	13.000c
Aluminum (primary pig, 99.5%) at	May 17	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	May 17	111.250c	110.250c	107.000c	99.625c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	May 23	88.85	89.58	88.65	84.36
Average corporate	May 23	87.72	87.86	87.86	84.81
Aaa	May 23	92.20	92.35	92.06	89.23
Aa	May 23	90.06	90.20	90.20	87.32
A	May 23	87.05	87.18	87.18	84.17
Baa	May 23	82.15	82.15	82.40	78.90
Railroad Group	May 23	85.20	85.20	85.33	82.40
Public Utilities Group	May 23	88.81	88.95	89.23	85.20
Industrials Group	May 23	89.23	89.23	88.95	86.65
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	May 23	3.72	3.63	3.73	4.13
Average corporate	May 23	4.58	4.57	4.57	4.80
Aaa	May 23	4.26	4.25	4.27	4.47
Aa	May 23	4.41	4.40	4.40	4.61
A	May 23	4.63	4.62	4.62	4.85
Baa	May 23	5.01	5.01	4.99	5.28
Railroad Group	May 23	4.77	4.77	4.76	4.99
Public Utilities Group	May 23	4.50	4.49	4.47	4.77
Industrials Group	May 23	4.47	4.47	4.49	4.66
MOODY'S COMMODITY INDEX	May 23	366.6	366.6	367.5	381.5
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	May 13	308,698	371,060	296,339	303,573
Production (tons)	May 13	319,615	325,861	315,490	311,066
Percentage of activity	May 13	92	93	93	94
Unfilled orders (tons) at end of period	May 13	456,332	466,293	435,615	468,803
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	May 19	113.32	113.11	113.02	110.29
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Apr. 28	3,603,730	3,880,930	3,006,590	2,107,250
Short sales	Apr. 28	640,370	683,320	498,380	396,730
Other sales	Apr. 28	2,968,150	3,227,330	2,504,460	1,753,490
Total sales	Apr. 28	3,608,520	3,910,650	3,002,840	2,150,220
Other transactions initiated off the floor—					
Total purchases	Apr. 28	459,650	557,090	454,150	347,180
Short sales	May 28	47,100	40,000	34,540	63,550
Other sales	Apr. 28	469,850	598,200	425,290	375,050
Total sales	Apr. 28	516,950	638,200	459,830	438,600
Other transactions initiated on the floor—					
Total purchases	Apr. 28	924,288	1,021,381	870,880	697,700
Short sales	Apr. 28	86,580	111,690	112,390	125,120
Other sales	Apr. 28	959,207	949,816	1,006,205	681,124
Total sales	Apr. 28	1,045,787	1,061,506	1,118,595	806,244
Total round-lot transactions for account of members—					
Total purchases	Apr. 28	4,987,668	5,459,401	4,331,620	3,152,130
Short sales	Apr. 28	774,050	835,010	645,310	585,400
Other sales	Apr. 28	4,397,207	4,775,346	3,935,955	2,809,664
Total sales	Apr. 26	5,171,257	5,610,356	4,581,265	3,395,064
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Apr. 28	2,412,342	2,691,386	1,980,619	1,743,783
Dollar value	Apr. 28	$131,884,732	$139,772,237	$101,903,733	$81,603,149
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Apr. 28	2,424,375	2,766,569	2,076,186	1,477,449
Customers' short sales	Apr. 28	8,769	8,207	4,147	17,408
Customers' other sales	Apr. 28	2,415,606	2,758,362	2,072,039	1,460,041
Dollar value	Apr. 28	$124,414,543	$126,504,452	$101,461,999	$69,299,389
Round-lot sales by dealers—					
Number of shares—Total sales	Apr. 28	738,630	830,600	653,060	419,560
Short sales	Apr. 28	------	------	------	------
Other sales	Apr. 28	738,630	830,600	653,060	419,560
Round-lot purchases by dealers—Number of shares	Apr. 28	693,140	707,950	578,110	612,180
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	Apr. 28	887,430	979,640	742,990	739,730
Other sales	Apr. 28	22,446,960	24,894,610	20,482,800	14,700,580
Total sales	Apr. 28	23,334,390	25,874,250	21,225,790	15,440,310
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	May 16	119.1	119.1	119.5	119.8
Farm products	May 16	87.3	86.9	88.9	90.7
Processed foods	May 16	108.2	108.4	108.7	107.3
Meats	May 16	92.6	93.6	94.1	97.4
All commodities other than farm and foods	May 16	127.9	127.8	128.0	128.4

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of April (000's omitted)	$230,917,000	$255,389,000	$226,007,000
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of April 30:			
Imports	$396,746,000	$408,199,000	$373,382,000
Exports	862,746,000	820,781,000	460,595,000
Domestic shipments	15,932,000	13,590,000	11,559,000
Domestic warehouse credits	*252,431,000	255,638,000	97,293,000
Dollar exchange	92,880,000	109,870,000	127,893,000
Based on goods stored and shipped between foreign countries	632,889,000	622,532,000	265,506,000
Total	$2,253,624,000	2,230,610,000	1,336,228,000
BUILDING CONSTRUCTION—U. S. DEPT. OF LABOR—Month of April (in millions):			
Total new construction	4,329	3,890	4,192
Private construction	3,013	2,768	3,022
Residential buildings (nonfarm)	1,647	1,434	1,727
New dwelling units	1,187	1,054	1,281
Additions and alterations	368	290	378
Nonhousekeeping	92	90	68
Nonresidential buildings	789	806	749
Industrial	235	248	224
Commercial	318	324	297
Office buildings and warehouses	174	170	156
Stores, restaurants, and garages	144	154	141
Other nonresidential buildings	236	234	228
Religious	73	74	76
Educational	46	46	43
Hospital and institutional	55	54	46
Social and recreational	45	43	48
Miscellaneous	17	17	15
Farm construction	120	102	102
Public utilities	435	404	425
Telephone and telegraph	83	82	88
Other public utilities	352	322	337
All other private	22	22	19
Public construction	1,316	1,122	1,170
Residential buildings	66	62	60
Nonresidential buildings	426	403	378
Industrial	41	40	33
Educational	249	235	223
Hospital and institutional	31	30	31
Administrative and service	53	49	48
Other nonresidential buildings	52	49	40
Military facilities	121	102	88
Highways	399	271	356
Sewer and water systems	126	121	124
Sewer	73	69	76
Water	53	52	48
Public service enterprises	45	40	45
Conservation and development	105	99	101
All other public	28	24	18
CONSUMER PRICE INDEX—1947-49 = 100— Month of March:			
All items	127.5	127.5	125.7
Food	121.2	121.4	117.7
Food at home	118.3	118.6	114.7
Cereal and bakery products	139.6	139.4	135.5
Meats, poultry and fish	111.4	111.8	107.2
Dairy products	118.5	119.0	116.4
Fruits and vegetables	127.8	127.2	125.0
Other food at home	107.6	108.5	103.4
Food away from home (Jan. 1953 = 100)	120.6	120.3	118.0
Housing	132.5	132.4	131.3
Rent	143.1	143.1	141.2
Gas and electricity	125.9	125.9	124.1
Solid fuels and fuel oil	141.3	141.3	137.2
Housefurnishings	103.9	103.7	104.7
Household operation	138.5	138.3	136.9
Apparel	109.8	109.6	108.8
Men's and boys'	111.4	111.3	108.9
Women's and girls'	99.9	99.5	99.6
Footwear	140.9	140.9	139.7
Other apparel	92.6	92.9	93.0
Transportation	145.7	146.2	146.5
Private	133.4	133.9	134.9
Public	205.7	205.7	199.4
Medical care	159.6	159.4	155.0
Personal care	133.6	133.8	132.7
Reading and recreation	123.4	122.7	120.9
Other goods and services	132.6	132.6	131.7
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of February:			
Cotton Seed—			
Received at mills (tons)	30,200	71,200	38,000
Crushed (tons)	480,400	525,700	528,300
Stocks (tons) March 31	1,059,600	1,509,800	953,400
Cake and Meal—			
Stocks (tons) March 31	272,000	239,600	140,800
Produced (tons)	224,900	247,400	246,700
Shipped (tons)	192,500	235,000	255,400
Hulls—			
Stocks (tons) March 31	108,300	90,400	42,000
Produced (tons)	110,600	123,300	121,500
Shipped (tons)	92,700	120,600	135,400
Linters—			
Stocks (bales) March 31	230,300	231,400	182,700
Produced (bales)	138,300	153,400	160,300
Shipped (bales)	139,400	156,100	174,400
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE — U. S. DEPT. OF LABOR—Month of April:			
Weekly earnings—			
All manufacturing	$91.34	$90.71	$89.60
Durable goods	98.46	97.57	97.36
Nondurable goods	82.01	*82.04	79.52
Hours—			
All manufacturing	39.2	39.1	39.3
Durable goods	39.7	39.5	39.9
Nondurable goods	38.5	*38.7	38.6
Hourly earnings—			
All manufacturing	$2.33	$2.32	$2.28
Durable goods	2.48	2.47	2.44
Nondurable goods	2.13	2.12	2.06
INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—1947-49 = 100—Month of April:			
Seasonally adjusted	105	102	109
Unadjusted	106	104	110
NEW CAPITAL ISSUES IN GREAT BRITAIN MIDLAND BANK LTD.—Month of April	£38,639,000	£23,559,000	£29,944,000
RYE CONDITION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—As of May 1	88%	89%	89%
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of April:			
Net sales	------	------	------
Net purchases	$19,531,500	$56,144,200	$16,355,500
WINTER WHEAT PRODUCTION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—As of May 1 (bushels)	1,095,697,000	1,098,735,000	1,117,131,000

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Trans-Canada Pipe Lines, Limited

The Trans-Canada Pipe Line, now 2,340 miles long, is the longest gas pipeline system in the world, stretching from just west of the Alberta - Saskatchewan border through Northern Ontario, then south and east to Toronto and Montreal. The project was financed through issuance of some $250 million long-term debt (including about $20 million bank loans payable in 1962) and the sale of 5,861,000 shares of common stock. Long-term debt included an issue of $21 million 5½% income notes which are convertible into common stock at $15 a share, beginning July 1, 1964. Remaining debt consists of four mortgage bond issues totaling $137 million and two issues of subordinated debentures aggregating $75 million.

The 676-mile section of the line east from the Manitoba-Ontario border was difficult to finance, and the Canadian Government financed this through the medium of a crown corporation. This facilitated construction of an all-Canadian route and also made gas available to important paper and mining interests in northern Ontario. Trans-Canada Pipe Lines has a contract under which they can lease this section of the line until 1983, paying operating expenses plus a rental; the company is obligated to purchase it as soon as it can finance the deal.

West of Winnipeg, the 34-inch pipe line has a daily capacity of 730,000 mcf. and east of Winnipeg 430,000 mcf. The company proposes to increase these capacities to 957,000 mcf. west of Winnipeg and 646,000 east. There are about 1,200,000 natural gas customers in Canada (500,000 are in Ontario) and Trans-Canada, through its connecting distributors, serves about 70% of them.

In addition, the company is selling gas in the United States and eventually hopes to increase the amount substantially. A 58-mile line between Winnipeg and the United States international boundary at Emerson, Manitoba, was completed in August, 1960. The National Energy Board at Ottawa in April 1960 approved the company's application to export Canadian gas to the U. S. and initial work was begun at that time, to connect with the Midwestern Gas Transmission Company (wholly-owned subsidiary of Tennessee Gas Transmission). The extension was completed by mid-summer and deliveries began in November at the rate of 204 million cf. a day for resale in Upper Michigan, Wisconsin, North Dakota and Minnesota. Trans-Canada is also authorized by the Canadian Government to sell any excess gas to Tennessee Gas Transmission, but FPC permission has still to be obtained. Trans-Canada also obtained Canadian approval recently to export 204 million cf. daily of interruptible gas to Tennessee Gas at Niagara Falls, but this is still before the FPC. There is also a proposal to export gas to New York State at Cornwall, Ontario, awaiting FPC approval.

In Canada residential sales are reported doing well and, in some new suburban housing developments in metropolitan areas, 9 out of 10 homes are served with gas. The gain in the commercial market is also encouraging, with many establishments such as coin-operated laundries, car-washing stations, motels, hotels and restaurants being converted to gas. Large makers of steel, cement, pulp and paper, mining and a wide variety of manufacturing have also accepted gas. While most of the distribution companies taking gas from the pipeline are said to be making reasonably good progress, there is one important exception—Quebec Natural Gas, which represents about one-tenth of total volume. Apparently affected by competition from oil imports, Quebec is reported two or three years behind its original target. However, several large industrial customers have been obtained and prospects are said to be brighter under the new management.

Trans-Canada buys all its gas under long-term contracts from some 28 fields in Alberta, with allocated reserves of about 8 trillion cf.—about double the supply of four years ago when construction of the pipeline started. Thus the system has no problem of supply—in fact the rate of discovery of gas has far exceeded expectations. While in 1960 the entire gas industry in Canada delivered only about half a trillion cf. to market (324 billion in Canada and 112 to the United States), gas reserves in western Canada are now estimated at 35 trillion cf. The latest projections indicate 45 trillion by 1965; 78 trillion by 1980, and at least 95 trillion by 1990. Competent geologists associated with the Canadian Petroleum Association have predicted the ultimate reserves to be discovered in Western Canada will be in the order of 300 trillion cf. Thus Trans-Canada is hopeful that the well-head cost of gas (around 12c) may go into a slight downward trend, as compared with the rising trend in U. S. fields.

The company's prospects for growth seem excellent. Sales last year were 71% above 1959, and the first quarter of 1961 gained 79% while the month of April was up 91%. While currently oil remains competitive in some areas, it has been forecast that by 1980 25% of Canada's total energy requirements will be supplied by gas compared with only 6% at present, (it is hoped that Canada will parallel the U. S., where gas increased from 10% in 1930 to 31% currently).

The company has been installing new gas turbines (to be operated by pushbutton) plus other automatic controls. It has also integrated the operating and maintenance personnel and reports that "we are headed toward the lowest pipeline operating cost per mile in North America."

Regarding regulation, the National Energy Board has wide discretionary powers, but there have been no rate hearings to date and no very definite indication as to regulatory policies. It is felt that the Board wishes to encourage the development of the project, with which the Dominion Government is closely associated.

While the company operated in the red in 1959-60, operations got into the black in the last quarter of 1960. President Kerr, in a recent talk before the New York Society of Security Analysts, projected earnings of about 80c a share for 1961 with progressive gains thereafter. However, dividends will probably be delayed indefinitely because of heavy cash requirements for construction, etc. No financing other than bank loans is anticipated in 1961. The stock has been selling recently in Canada at 24¼.

Thrift Courts Secs. Offered

Lomasney, Loving & Co. heads a syndicate which offered publicly on May 18th, 2,500 Units of Thrift Courts of America, Inc. at $800 per unit. Units consist of $400 principal amount of debentures, 50 shares of common stock and 25 warrants.

The company plans to use the net proceeds from the sale of the Units to repay current bank loans, to provide funds for its subsidiary, Thrift Courts Acceptance Corp., to enable it to assist in the financing of the sale of pre-constructed motel units and to add to working capital. The proceeds from the exercise of the warrants, if exercised, will be added to the working capital of the company and used for general corporate purposes.

From its inception until 1960, the company manufactured and distributed a line of mobile homes. During 1959 the company pioneered in a new application of many of the techniques used in mobile home construction — the pre-construction of motel units. Although the company continues to manufacture a few mobile homes to order, more than two-thirds of 1960 production consisted of motel units.

Rocket Jet Stock Offered

The initial public sale of the common stock of Rocket Jet Engineering Corp., a Glendale, Cal. based company which designs and manufactures escape and survival equipment for use in life support systems installed in military aircraft, was made on May 23 by Maltz, Greenwald & Co., and Thomas, Jay, Winston & Co., Inc. and associates, who offered 110,000 shares of the stock at a price of $5 per share.

None of the proceeds from the sale of the stock will accrue to the company as the shares are already outstanding and are being sold for selling stockholders—John J. Sepe, President, Treasurer and director of the company; James T. Sepe, Secretary and director; and Joseph A. and Ralph A. Sepe, both directors of the company. Following the sale of the stock these officers and directors will own a total of 340,000 or 60% of the outstanding shares.

Incorporated under the laws of the State of California on Jan. 15, 1951, Rocket Jet Engineering Corp. is engaged primarily in designing and making survival equipment for installation in military airplanes. This equipment includes a survival container kit, parachute canopy release, and various manual and automatic quick disconnects designed to provide oxygen and communication to a pilot and crew at high altitudes and after being ejected from the plane. The company also produces a paint colorant dispenser for commercial use.

For the year 1960, the company had net sales of $1,586,232 and net income of $149,959, equal to 27 cents per common share. For the quarter ended March 31, 1961, net sales were $457,674 and net income was $46,773, or 9 cents per share. As of May 3, 1961, outstanding capitalization of the company consisted of 550,000 shares of common stock.

Coastal Publ. Stock Offered

Public offering of 110,000 shares of Coastal Publications Corp. common stock was made on May 19 by Jesup & Lamont. The stock is priced at $3 per share. Part of the proceeds of the sale will be used by the company to pay off all outstanding loans, and the balance will be added to general corporate funds.

This marks the first public offering of the shares of the company which specializes in the preparation (writing and illustrating) of technical literature explaining the functioning, operation and maintenance of complicated electronic and electro - mechanical equipment produced for the Department of Defense. Other publications prepared by the company include handbooks, catalogues, proposals, reports, brochures, training manuals and similar material. The company was incorporated in 1951.

For 1960 the company reported gross income of $1,898,944 and net earnings of $66,238, including special tax credit of $28,944. In 1959 gross was $1,889,849 and net $91,384, including special credits of $42,020.

Among the prime defense contractors for whom the company in the past and is currently preparing technical literature are: The Bendix Corp., General Dynamics Corp., General Electric, Goodyear Aircraft Corp., International Business Machines Corp., Lockheed Aircraft Corp. and Radio Corp. of America.

Giving effect to this financing the company's capitalization consists of 335,000 shares of common stock of 60 cents par.

Form Arthur-Hardgrove Co.

Arthur-Hardgrove Company is conducting a securities business from offices at 375 Park Avenue, New York City, Partners are Francis J. Arthur and Malcolm K. Hardgrove.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

Accesso Corp. (6/15)
Jan. 30, 1961 filed 40,000 shares of common stock and 40,000 shares of preferred stock (par $10) to be offered for public sale in units consisting of one share of common and one share of preferred stock. **Price**—$15 per unit. **Business**—The company is engaged in the design, manufacture and sale of fluorescent lighting systems, acoustical tile hangers, metal tiles and other types of acoustical ceiling systems. **Proceeds**—For the repayment of loans and general corporate purposes. **Office** — 3425 Bagley Avenue, Seattle, Wash. **Underwriter**—Ralph B. Leonard & Sons, Inc., New York City (managing).

Acme Missiles & Construction Corp.
Jan. 6, 1961 filed 30,000 outstanding shares of class A common stock. **Price** — To be supplied by amendment. **Business**—The construction and installation of missile launching platforms. **Proceeds**—To selling stockholders. **Office** — 43 North Village Avenue, Rockville Centre, N. Y. **Underwriter**—None.

Action Discount Dollars Corp.
April 14, 1961 (letter of notification) 42,500 units, each unit to consist of one share of common stock (par one cent) and one share of class A stock (par $1). **Price**—$7 per unit. **Business**—The sale and redemption of trading stamps. **Proceeds** — For printing trading stamps, catalogues; advertising and franchise development. **Office**—26 Broadway, New York, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York, N. Y. **Offering**—Imminent.

A-Drive Auto Leasing System, Inc.
Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill, Darlington & Grimm, New York City (managing). **Offering**—Imminent.

Aeroflex Laboratories, Inc.
May 8, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Business**—The manufacture of mechanisms and precision stabilization devices. **Proceeds**—For working capital, and general corporate purposes. **Office**—48-25 36th St., Long Island City, N. Y. **Underwriter**—None.

Advanced Investment Management Corp.
Jan. 13,1961 filed 300,000 shares of common stock. **Price**—$3.50 per share. **Business**—The company was organized in October, 1960 to operate an insurance home office service and management company with the related secondary purpose of owning investments in entities engaged in the insurance business. **Proceeds**—The company will use the proceeds estimated at $851,895 as a reserve for the acquisition of interests in life insurance; for furniture and fixtures; for the establishment of a sales organization and for working capital. **Office**—The Rector Building, Little Rock, Ark. **Underwriter**—Advanced Underwriters, Inc., Little Rock, Ark.

★ Advanced Scientific Instruments, Inc.
May 19, 1961 filed 875,000 shares of common stock. **Price**—$1.15 per share. **Business**—The company was formed in March, 1961 to engage in the development, manufacture, sale and lease of electronic, electro-mechanical and electro-optical equipment. **Proceeds** — For equipment, developmental work and working capital. **Office**—1208 Title Insurance Building, Minneapolis, Minn. **Underwriter**—Naftalin & Co., Minneapolis.

Air-Space Devices Inc.
May 4, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For repayment of bank loans, expansion, new equipment, and working capital. **Office**—1024 Burbank Blvd., Burbank, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

Allison Business Services, Inc. (6/6)
April 17, 1961 (letter of notification) 100,000 shares of capital stock (par 10 cents). **Price**—$3 per share. **Business**—The supplying of temporary office personnel. **Proceeds**—To purchase assets of Rapid Computing Co., Inc. and for general corporate purposes. **Office**—122 E. 42nd Street, New York, N. Y. **Underwriter**—Hancock Securities Corp., New York, N. Y.

★ Allstate Bowling Centers, Inc.
May 19, 1961 filed 300,000 shares of capital stock, of which 200,000 shares will be sold for the account of the company and 100,000 shares for All-State Properties, Inc., parent. The stock will be offered for subscription by holders of All-State Properties on the basis of one share for each nine shares held. **Price**—To be supplied by amendment. **Business**—The construction and operation of bowling centers in several states. **Proceeds**—For expansion and working capital. **Office** — 30 Verbena Avenue, Floral Park, N. Y. **Underwriter**—Bear, Stearns & Co., New York City.

Almar Rainwear Corp.
April 28, 1961 filed 120,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of plastic film raincoats and related items for men, women and children. **Proceeds**—For inventory, taxes, accrued sales commissions and working capital. **Office**—Washington, Ga. **Underwriter**—D. H. Blair & Co., New York City (managing).

Alside, Inc.
May 11, 1961 filed 200,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of aluminum siding and paneling for houses. **Proceeds** — For the selling stockholders. **Office**—3773 Akron-Cleveland Rd., Akron, O. **Underwriter** — Reynolds & Co., Inc., New York City (managing).

Amcrete Corp.
May 4, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business** — The sale of pre-cast and pre-stressed concrete panels for swimming pools and pumps, filters, ladders, etc. **Proceeds**—For building test pools; advertising, inventory and working capital. **Office**—102 Mamaroneck Avenue, Mamaroneck, N. Y. **Underwriter**—Alexandria Investments & Securities, Inc., Washington, D. C.

America-Israel Phosphate Co.
Dec. 23, 1960 filed 125,000 shares of common stock, each share of which carries two warrants to purchase two additional common shares in the next issue of shares, at a discount of 25% from the offering price. **Price**—$4 per share. **Business**—The prospecting and exploration for phosphate mineral resources in Israel. **Proceeds**—For general business purposes. **Office** — 82 Beaver Street, New York City. **Underwriter**—Seminole Securities Co., Inc., Pittsburgh, Pa., and New York City.

American Facsimile Corp.
April 28, 1961 (letter of notification) 40,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Business**—The manufacture of facsimile communication equipment. **Proceeds**—For equipment; sales promotion and advertising; research and development, and working capital. **Office**—160 Coit Street, Irvington, N. J. **Underwriter**—Shell Associates, Inc., New York, N. Y.

American Finance Co., Inc.
April 21, 1961 filed $500,000 of 6% convertible subordinated debentures due 1971; 75,000 shares of common stock, and 25,000 common stock purchase warrants to be offered for public sale in units consisting of one $200 debenture, 30 common shares and 10 warrants. **Price**—$500 per unit. **Business**—The company and its subsidiaries are primarily engaged in the automobile sale finance business. One additional subsidiary is a Maryland savings and loan association and two are automobile insurance brokers. **Proceeds**—For the retirement of debentures, and capital funds. **Office** — 1472 Broadway, New York City. **Underwriter**—Lomasney, Loving & Co., New York City. **Offering**—Expected in late June.

American Gas Co.
March 22, 1961 filed 101,081 shares of common stock being offered for subscription by stockholders on the basis of 2.7 new shares for each share held of record May 12 with rights to expire about May 26. **Price**—$3.50 per share. **Proceeds**—To repay bank loans and for construction. **Office**—546 South 24th Ave., Omaha, Neb. **Underwriter** — Cruttenden, Podesta & Co., Chicago (managing).

• American Mortgage Investment Corp.
April 29, 1960 filed $1,800,000 4% 20-yr. collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock Ark. **Underwriter** — Amico, Inc. **Offering** — Expected in late July.

• American Photocopy Equipment Co. (6/12-16)
May 16, 1961 filed 435,000 shares of common stock, of which 50,000 shares will be offered for the account of the company and 385,000 for certain selling stockholders. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of desk-top photocopy machines, paper and supplies, and binding equipment. **Proceeds**—The company will use its share of the proceeds for general corporate purposes. **Office**—2100 West Dempster St., Evanston, Ill. **Underwriter** — Lehman Brothers, New York City (managing).

American Telephone & Telegraph Co. (6/6)
May 12, 1961 filed $250,000,000 of debentures due June 1, 1998. **Proceeds**—To refund a like amount of 5⅜% debentures due Nov. 1, 1986 and for other corporate purposes. **Office**—195 Broadway, New York City. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co. **Bids**—To be received on June 6 at 11:30 a.m. (DST) in Room 2315, 195 Broadway, New York City.

Amity Corp. (6/26-30)
Jan. 17, 1961 filed 88,739 shares of common stock (par $1). **Price**—$3 per share. **Business**—Land development,

Armco Steel Debs. Offered

Public offering of $50,000,000 Armco Steel Corp. (Middletown, Ohio) 25-year 4½% sinking fund debentures due 1986 was made on May 22 by an underwriting group headed by Smith, Barney & Co. Inc. The debentures were priced at 99¼% and accrued interest, to yield approximately 4.55%.

Net proceeds from issuance of the debentures will be used to prepay $50,000,000 of notes payable to banks.

The debentures are redeemable at the option of the company at prices ranging from 104% through May 31, 1962 to 100% after May 31, 1984, except that they may not be optionally redeemed prior to June 1, 1966 through funds borrowed at an interest cost of less than 4.55% annually.

The company is required to make annual sinking fund payments of $2,500,000 during the years 1967-1985, inclusive — an amount, which together with a like final payment, will retire the entire issue by maturity—and may increase its sinking fund payment in any year by an additional amount equal to not more than the required payment for that year. For the sinking fund the debentures will be redeemable at 100%.

Consolidated capitalization of Armco as of Dec. 31, 1960, adjusted to give effect to issuance of the debentures and pre-payment of the $50,000,000 of notes payable to banks, comprised long-term debt of $158,850,000 and $696,627,000 common stock and surplus.

Cons. Activities Secs. Offered

Consolidated Activities, Inc. of Livingston, N. J., specialist in the development and operation of bowling centers and real estate, has gone public, it was announced today (May 25) by G. F. Nicholls & Co., 1 Maiden Lane, New York, underwriter. It is floating a $1,000,000 issue of 6½% subordinated convertible debentures and 50,000 shares of capital stock at $3.50 per share through the Nicholls organization.

The Consolidateed firm has been engaged in the development and operation of 10-pin bowling centers and real estate since 1957, when it acquired the Livingston Lanes in Livingston, N. J. According to the prospectus, the company plans to establish new 24-lane bowling centers in Beaufort, S. C., and in Valdosta, Ga. It also holds a 99-year lease on the Blue Elms Golf Course (formerly the Canary Cottage) in Florham Park, N. J., which it will rebuild and redevelop as a semi-private golf course.

California Investors Adds

SAN DIEGO, Calif. — John D. MacLachlan has been added to the staff of California Investors, 1956 Fifth Avenue. He was formerly with Shearson, Hammill & Co.

including the building of an air strip, a marina, and a housing cooperative. This is the issuer's first public financing. **Proceeds**—For general corporate purposes, including $170,000 for construction and $12,000 for debt reduction. **Office**—Equitable Building, Baltimore, Md. **Underwriter**—Karen Securities Corp., New York City.

★ Antilles Electronics Corp.
May 8, 1961 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Address**—San Lorenzo, Puerto Rico. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa.

Apache Corp.
March 31, 1961 filed 300 units in the Apache Gas and Oil Program 1962. **Price**—$15,000 per unit. **Business**—The acquisition, holding, testing, developing and operating of gas and oil leaseholds. **Proceeds**—For general corporate purposes. **Office**—523 Marquette Ave., Minneapolis, Minn. **Underwriter** — The company and its subsidiary, APA, Inc., will act as underwriters for the Program.

Apache Realty Corp. (7/10-14)
March 31, 1961 filed 1,000 units in the First Apache Realty Program. **Price**—$5,000 per unit. **Business**—The Program plans to engage in the real estate business, with emphasis on the acquisition, development and operation of shopping centers, office buildings and industrial properties. **Proceeds** — For investment. **Office** — 523 Marquette Ave., Minneapolis, Minn. **Underwriter**—Blunt Ellis & Simmons, Chicago (managing).

Architectural Plastics Corp. (5/29)
April 20, 1961 (letter of notification) 103,191 shares of common stock (par $1) of which 26,326 shares are to be offered by the company and 76,865 shares by the underwriter. **Price**—$1.25 per share. **Proceeds**—For working capital. **Office**—1355 River Road, Eugene, Ore. **Underwriter**—Zilka, Smither & Co., Inc., Portland, Ore.

★ Arcs Industries, Inc.
May 19, 1961 filed $1,630,000 of 6% convertible subordinated debentures due 1971, to be offered for subscription by common stockholders on the basis of $500 of debentures for each 100 shares held. **Price** — At par. **Business**—The manufacture of electronic, electrical and electro-mechanical devices for use in the missile and computer fields. **Proceeds**—To repay loans, purchase a building, and for working capital. **Office** — 755 Park Avenue, Huntington Station, L. I., N. Y. **Underwriter**—Lomasney, Loving & Co., New York City (managing).

Arizona Color Film Processing Laboratories, Inc.
March 23, 1961 filed 2,100,500 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each share held. **Price** —22 cents per share. **Business**—The processing of black and white and color film. **Proceeds**—To repay loans and for working capital. **Office**—2 North 30th Street, Phoenix, Ariz. **Underwriter**—None.

• Arizona Public Service Co.
April 21, 1961 filed 488,986 shares of common stock (par $2.50), being offered for subscription by common stockholders on the basis of one new share for each 15 shares held of record on May 23, with rights to expire June 13. **Price**—$32.50 per share. **Proceeds**—For expansion. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters** — First Boston Corp., and Blyth & Co., Inc. (managing).

Arkansas Valley Industries, Inc.
May 12, 1961 filed $1,500,000 of convertible subordinated sinking fund debentures due 1976. **Price**—100% of principal amount. **Business**—The production and sale of chicken feed, hatching chicks and poultry. **Proceeds** —For new facilities, the improvement of marketing improvements, and for working capital. **Office**—Dardenelle, Ark. **Underwriter**—A. G. Edwards & Sons, St. Louis, Mo. (managing).

Arrow Electronics, Inc. (6/15)
March 30, 1961 filed 165,000 shares of common stock (par $1). **Price**—$5 per share. **Business**—The distribution of electronic equipment including high fidelity, radio and television components. **Proceeds**—To repay loans, expand facilities and for working capital. **Office** — 525 Jericho Turnpike, Mineola, L. I., N. Y. **Underwriter**—Arnold Malkan & Co., Inc., New York City.

Atlantic Fund for Investment in U. S. Government Securities, Inc.
July 22, 1960, filed 2,000,000 shares of common stock. **Price** — $25 per share. **Business** — A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—Capital Counsellors, 50 Broad Street, New York City. **Note**—This company was formerly the Irving Fund for Investment in U. S. Government Securities, Inc.

Atohm Electronics
April 13, 1961 (letter of notification) 50,000 shares of common stock (par 25 cents). **Price**—$6 per share. **Proceeds**—To repay debt, purchase equipment and inventory, and for working capital. **Office**—7648 San Fernando Rd., Sun Valley, Calif. **Underwriter**—Francis J. Mitchell & Co., Inc., Newport Beach, Calif.

Audiographic Inc. (6/5-9)
Feb. 27, 1961 filed 150,000 shares of common stock. **Price** —$4 per share. **Business**—The manufacture and sale of fire and burglar warning systems. **Proceeds**—To establish subsidiaries, buy equipment to make component parts of warning systems now manufactured by others, reduce indebtedness, add to inventory, and for working capital. **Office**—Bellemore, L. I., N. Y. **Underwriter**—First Broad Street Corp., New York City (managing).

★ Automated Merchandising Capital Corp.
May 24, 1961 filed 400,000 shares of common stock. **Price** —To be supplied by amendment. **Business** — The company was organized under Delaware law on May 4 as a closed-end non-diversified management investment company chiefly to finance firms active in the vending industry. **Office**—New York City. **Underwriter**—Blair & Co., Inc., New York City (managing).

Automated Procedures Corp. (6/26-30)
April 7, 1961 filed 110,000 shares of class A stock (par 5 cents). **Price**—$3 per share. **Business**—The company offers customized data processing service which involves the breaking up of complex accounting operations into simple tasks performable by its machines. **Proceeds**—To purchase additional equipment. **Office** — 71 West 23rd Street, New York City. **Underwriter**—Jay W. Kaufmann & Co., New York City.

• Automation Development, Inc. (5/29-6/2)
Jan. 27, 1961 (letter of notification) 40,000 shares of common stock (par 5 cents). **Price**—$3.75 per share. **Proceeds**—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City. **Underwriter**—First Philadelphia Corp., New York, N. Y., and United Planning Corp., Newark, N. J.

• Automotive Vacuum Control Corp.
March 30, 1961 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds** —For advertising, new products and working capital. **Office**—1007 East Second Street, Wichita, Kan. **Underwriter**—Donald J. Hinkley & Co., Inc., Denver, Colo.

★ Baton Rouge Water Works Co.
May 9, 1961 (letter of notification) 8,067 shares of common stock (no par). **Price**—$12 per share. **Office**—131 Lafayette St., Baton Rouge, La. **Underwriter**—None.

Bel-Aire Products, Inc.
April 14, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds** —For repayment of a loan, new equipment, lease of a plant, and working capital. **Office** — 25970 W. 8 mile Road, Southfield, Mich. **Underwriter** — International Equities Co., Miami, Fla.

Berlant Automonitor Corp.
May 8, 1961 (letter of notification) 90,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—To repay a loan, purchase equipment; for plant expansion, and working capital. **Office** — 8525 Steller Dr., Culver City, Calif. **Underwriter**—D. E. Liederman & Co., Inc., 80 Pine St., New York, N. Y.

• Beryllium Manufacturing Corp. (6/15)
Feb. 27, 1961 filed 105,000 shares of common stock. **Price** —$4.50 per share. **Business** — The fabrication of pure beryllium components and other materials. **Proceeds**—For expansion and inventory, with the balance for working capital. **Office**—253 W. Merrick Rd., Valley Stream, L. I., N. Y. **Underwriter**—Eldes Securities Corp., New York City.

★ Bid D Chemical Co.
May 17, 1961 (letter of notification) 60,000 shares of class a common stock (par $1). **Price** — $5 per share. **Office**—1708 W. Main St., Oklahoma City, Okla. **Underwriter**—Donald J. Hinkley & Co., Inc., Denver, Colo.

Big Boy Properties, Inc.
March 20, 1961 filed 100,000 shares of common stock **Price**—$10 per share. **Business**—The company plans to operate a chain of "Big Boy" restaurants in California. **Proceeds** — For the purchase of restaurants and other properties. **Office**—1001 East Colorado Street, Glendale, Calif. **Underwriter**—None.

Bloomfield Industries, Inc.
May 1, 1961 filed 140,000 shares of common stock, of which 40,000 shares are to be offered for public sale by the company and 100,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The manufacture and sale of food service equipment (for restaurants, hotels, etc.,) and houseware and hospital products. **Proceeds**—For product expansion, working capital and other corporate purposes. **Office**—4546 West 47th St., Chicago, Ill. **Underwriters** — Westheimer & Co., Cincinnati and Divine & Fishman, Inc., Chicago and New York City. **Offering**—Expected in late June.

Blue Haven Industries, Inc.
March 30, 1961 (letter of notification) 70,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To increase inventory, reduce indebtedness and for working capital. **Office**—11933 Vose St., North Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co.,

Bolt Beranek & Newman, Inc.
April 27, 1961 filed 160,000 shares of common stock, of which 90,140 shares are to be offered for public sale by the company and 69,860 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company is a group of scientists

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NEW ISSUE CALENDAR

May 25 (Thursday)

Louisville & Nashville RR.------**Equip. Trust Ctfs.**
(Bids noon DST) $5,300,000
New Orleans Public Service, Inc.------------**Bonds**
(Bids 11:30 a.m. DST) $15,000,000

May 26 (Friday)

Irvington Steel & Iron Works------------**Common**
(L. L. Fane & Co., Inc.) $300,000
Magnefax Corp. ------------------------**Common**
(Stroud & Co.) $1,000,000

May 29 (Monday)

Architectural Plastics Corp.--------------**Common**
(Zilka, Smither & Co., Inc.) $128,988
Automation Development, Inc.------------**Common**
(First Philadelphia Corp. and United Planning Corp.) $150,000
Consumers Automatic Vending, Inc.-------**Common**
(Diran, Norman & Co. and V. S. Wickett & Co. Inc.) $625,000
Curley Co., Inc.-------------------------**Common**
(Carter, Berlind, Potoma & Weill) 50,000 shares
Customline Control Panels, Inc.----------**Common**
(Blaha & Co., Inc.) $300,000
Dodge Wire Corp.------------------------**Common**
(Plymouth Securities Corp.) $600,000
Eastern Lime Corp.----------------------**Common**
(Stroud & Co.) $300,000
Electronic Associates, Inc.----------------**Capital**
(W. C. Langley & Co.) 75,000 shares
Illinois Bell Telephone Co.---------------**Common**
(Offering to stockholders—no underwriting) $83,813,040
Intercontinental Motels, Ltd.------------**Common**
(T. J. McDonald & Co.) $300,000
Renaire Foods, Inc.---------------------**Common**
(P. W. Brooks & Co., Inc.) $750,000
Renaire Foods, Inc.------------------**Debentures**
(P. W. Brooks & Co., Inc.) $600,000
Vector Engineering, Inc.----------------**Common**
(Omega Securities Corp.) $300,000
Western Growth Corp.--------------------**Units**
(Reese, Scheftel & Co. Inc.) $1,500,000

May 31 (Wednesday)

Elion Instruments, Inc.-------------------**Capital**
(Warner, Jennings, Mandel & Longstreth) 60,000 shares
Indiana & Michigan Electric Co.-------**Debentures**
(Bids 11:30 a.m. DST) $20,000,000
King Kullen Grocery Co., Inc.------------**Class A**
(Hemphill, Noyes & Co. and Estabrook & Co.) 180,000 shares
National Bagasse Products Corp.------------**Units**
(S. D. Fuller & Co. and Howard, Weil, Labouisse, Friedrichs & Co.) $2,654,370
North American Vending Manufacturing Corp. --------------------------------**Common**
(Ezra Kureen Co.) $110,000
Ram Electronics, Inc.-------------------**Common**
(General Securities Co. Inc.) $300,000
Ruth Outdoor Advertising Co., Inc.-------**Class A**
(Lewis & Stoehr) $240,000

June 1 (Thursday)

Columbia Gas System, Inc.------------**Debentures**
(Bids 11 a.m. DST) $30,000,000
Investors Preferred Life Insurance Co.--**Common**
(Life Securities, Inc.) $840,000
MacDonald (E. F.) Co.-------------------**Common**
(Smith, Barney & Co. Inc. and Merrill, Turben & Co. Inc.) 275,000 shares
Mohawk Insurance Co.-------------------**Common**
(R. F. Dowd & Co., Inc.) $900,000
Tassette, Inc.--------------------------**Class A**
(Amos Treat & Co., Inc.; Bruno Lenchner, Inc. and Karen Securities Corp.) $2,400,000
Union Tank Car Co.-----------------**Debentures**
(Smith, Barney & Co. Inc. and Blunt Ellis & Simmons) $40,000,000
Varian Associates ---------------------**Capital**
(Offering to stockholders—underwritten by Dean Witter & Co.) 347,883 shares
Waltham Watch Co.-----------------------**Units**
(P. J. Gruber & Co. Inc.) 4,000 units

June 5 (Monday)

Audiographic Inc. ----------------------**Common**
(First Broad Street Corp.) $600,000
Capital for Technical Industries, Inc.----**Common**
(Dempsey-Tegeler & Co.) $5,000,000
Chalco Engineering Corp.---------------**Common**
(First Broad Street Corp.) $600,000
Chemonics Corp.-----------------------**Common**
(Grant, Fontaine & Co.; Evans MacCormack & Co.; Stone & Youngberg and Sellgren, Miller & Co.) $300,000
Chock Full O' Nuts Corp.------------**Debentures**
(F. Eberstadt & Co.) $7,500,000
De Soto Chemical Coatings, Inc.---------**Common**
(Goldman, Sachs & Co. and Lehman Bros.) 1,000,000 shares
Dixon Chemical Industries, Inc.-------**Debentures**
(Offering to stockholders—underwritten by P. W. Brooks & Co., Inc.) $1,500,000
Dixon Chemical & Research, Inc.------**Debentures**
(P. W. Brooks & Co., Inc.) $2,900,000
Elgeet Optical Co., Inc.-----------------**Common**
(Troster, Singer & Co.) $1,130,000
Equity Capital Co.---------------------**Common**
(Paine, Webber, Jackson & Curtis) 100,000 shares
Fox-Stanley Photo Products, Inc.--------**Common**
(Equitable Securities Corp.) 387,500 shares
Futterman Corp.-----------------------**Class A**
(Van Alstyne, Noel & Co.) 1,000,000 shares
Gem International, Inc.-----------------**Common**
(Bosworth, Sullivan & Co., Inc. and Scherck, Richter Co.) 150,000 shares
Girard Industries Corp.-----------------**Common**
(Edwards & Hanly; Brand, Grumet & Seigel; Kesselmann & Co. Inc. and Casper Rogers & Co. Inc.) $500,000
Harwyn Publishing Corp.----------------**Common**
(N. A. Hart & Co.) $412,500
Income Planning Corp.--------------------**Units**
(Espy & Wanderer, Inc.) $200,000
Micro Electronics Corp.-----------------**Common**
(R. Baruch & Co.) $400,000
National Mercantile Corp.-----------------**Units**
(A. T. Brod & Co.) 100,000 units
Panacolor, Inc. ------------------------**Common**
(Federman, Stonehill & Co.) $800,000

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Pennsylvania Electric Co.—Debentures
(Bids noon DST) $12,000,000

St. Louis Capital, Inc.—Common
(Hornblower & Weeks and I. M. Simon & Co.) $7,500,000

Southland Life Insurance Co.—Common
(Offering to stockholders—underwritten by Equitable Securities Corp.) 80,000 shares

Stratton Corp.—Debentures
(Cooley & Co.) $650,000

June 6 (Tuesday)

Allison Business Services, Inc.—Capital
(Hancock Securities Corp.) $300,000

American Telephone & Telegraph Co.—Bonds
(Bids 11:30 DST) $250,000,000

Broadcast International, Inc.—Common
(Harry Odzer Co.) $300,000

Denver & Rio Grande Western RR.—Equip. Trust Ctfs.
(Bids noon MT) $1,230,000

Gordon Jewelry Corp.—Class A
(Paine, Webber, Jackson & Curtis) 140,000 shares

Public Service Electric & Gas Co.—Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 900,000 shares

Sony Corp.—Common
(Smith, Barney & Co. and The Nomura Securities Co. Ltd.) 2,000,000 shares

U. S. Mfg. & Galvanizing Corp.—Common
(Armstrong & Co. Inc.) $300,000

Virginia Chemicals & Smelting Co.—Common
(White, Weld & Co.) 135,000 shares

June 7 (Wednesday)

Community Public Service Co.—Bonds
(Bids 11 a.m. DST) $5,000,000

Lorillard (P.) & Co.—Debentures
(Lehman Brothers and Smith, Barney & Co.) $40,000,000

Real Estate Investment Trust of America—Ben. Int.
(Paine, Webber, Jackson & Curtis; Kidder, Peabody & Co. and Lee Higginson Corp.) 500,000 shares

Recreation Enterprises, Inc.—Units
(I. M. Simon & Co.) $550,000

June 8 (Thursday)

Brooklyn Union Gas Co.—Bonds
(Bids to be received) $20,000,000

June 12 (Monday)

American Photocopy Equipment Co.—Common
(Lehman Brothers) 435,000 shares

City Products Corp.—Debentures
(Lehman Brothers and White, Weld & Co.) $15,000,000

Gimbel Brothers, Inc.—Debentures
(Lehman Brothers and Goldman, Sachs & Co.) $25,000,000

Income Properties, Inc.—Class A
(Eisele & King, Lebaire, Stout & Co.) $1,462,500

Missouri Edison Co.—Bonds
(Bids 11 a.m. DST) $2,000,000

Permian Corp.—Common
(Lehman Brothers and Shearson, Hammill & Co.) 285,000 shares

Search Investments Corp.—Common
(No underwriting) $1,000,000

Templeton, Damroth Corp.—Debentures
(Hecker & Co.) $445,000

Thor Power Tool Co.—Debentures
(Hornblower & Weeks) $4,000,000

June 13 (Tuesday)

Pacific Gas & Electric Co.—Common
(Offering to stockholders—underwritten by Blyth & Co. Inc). 896,470 shares

Triangle Instrument—Common
(Armstrong & Co., Inc.) $300,000

Virginia Electric & Power Co.—Bonds
(Bids 11 a.m. DST) $30,000,000

June 14 (Wednesday)

Baltimore Gas & Electric Co.—Debentures
(Bids to be received) $20,000,000

Michigan Wisconsin Pipe Line Co.—Bonds
(Bids 11 a.m. DST) $30,000,000

Toledo Plaza Limited Partnership—Units
(Hodgdon & Co., Inc.) $522,500

June 15 (Thursday)

Accesso Corp.—Units
(Ralph B. Leonard & Sons, Inc.) $600,000

Arrow Electronics, Inc.—Common
(Arnold Malkan & Co., Inc.) $825,000

Beryllium Manufacturing Corp.—Common
(Eldes Securities Corp.) $472,500

Chroma-Glo, Inc.—Common
(Jamieson & Co.) $297,000

De-Flectronics, Inc.—Common
(Theodore Arrin & Co.) $112,000

Fireco Sales Ltd.—Common
(McDonnell & Co.) 120,000 shares

G-W. Ameritronics, Inc.—Units
(Fraser & Co., Inc.) $320,000

Golden Triangle Industries, Inc.—Common
(Robert M. Harris & Co. Inc.) $340,000

Ivest Fund, Inc.—Common
(Ivest, Inc.) 150,000 shares

Lytton Financial Corp.—Capital
(William R. Staats & Co. and Shearson, Hammill & Co.) 300,000 shares

Marrud, Inc.—Common
(McDonnell & Co.) 194,750 shares

Photronics Corp.—Common
(Offering to stockholders—underwritten by L. D. Sherman & Co.) 150,000 shares

Southern Electric Generating Co.—Bonds
(Bids 11 a.m. DST) $20,000,000

Universal Manufacturing Co.—Common
(Naftalin & Co., Inc.) $270,000

June 19 (Monday)

Diotron, Inc.—Common
(Royer Securities Co.) $300,000

June 20 (Tuesday)

Consolidated Edison Co. of New York, Inc.—Bonds
(Bids 11 a.m. DST) $50,000,000

June 21 (Wednesday)

Development Corp. of America—Common
(Amos Treat & Co. Inc.) $600,000

Union Oil Co. of California—Debentures
(Dillon, Read & Co. Inc.) $60,000,000 (due June 1, 1991)

Union Oil Co. of California—Debentures
(Dillon, Read & Co. Inc.) $60,000,000 (due June 1, 1893)

June 22 (Thursday)

Northern Illinois Gas Co.—Common
(Offering to stockholders—First Boston Corp. and Glore, Forgan & Co.) 450,037 shares

June 26 (Monday)

Amity Corp.—Common
(Karen Securities Corp.) $226,217

Automated Procedures Corp.—Class A
(Jay W. Kaufmann & Co.) $330,000

CompuDyne Corp.—Common
(Hayden, Stone & Co.) 168,000 shares

Fidelity Bankers Life Insurance Corp.—Common
(Lee Higginson Corp. and Shearson, Hammill & Co.) 547,128 shares

June 27 (Tuesday)

Hallicrafters Co.—Capital
(Paine, Webber, Jackson & Curtis) 300,000 shares

Massachusetts Electric Co.—Bonds
(Bids to be received) $17,500,000

June 28 (Wednesday)

Alabama Great Southern RR.—Bonds
(Bids to be received) $5,500,000

Tennessee Valley Authority—Bonds
(Bids to be received) $50,000,000

Vic Tanny Enterprises, Inc.—Common
(S. D. Fuller & Co.) 320,000 shares

June 30 (Friday)

Automatic Canteen Co. of America—Debentures
(Offering to stockholders—underwritten by Glore, Forgan & Co.) $20,000,000

International Silver Co.—Debentures
(Offering to stockholders—underwritten by Lehman Brothers) $7,822,000

Taffet Electronics, Inc.—Common
(Fialkov & Co. Inc.) $396,000

Vinco Corp.—Debentures
(S. D. Fuller & Co.) $2,000,000

July 3 (Monday)

Ihnen (Edward H.) & Son, Inc.—Common
(Amos Treat & Co. Inc.) $375,000

Seaboard Electronic Corp.—Common
(Amos Treat & Co. Inc.) $550,000

July 5 (Wednesday)

Canandaigua Enterprises Corp.—Units
(S. D. Fuller & Co.) 8,000 units

July 10 (Monday)

Apache Realty Corp.—Units
(Blunt Ellis & Simmons) $5,000,000

Superstition Mountain Enterprises, Inc.—Common
(No underwriting) $5,000,000

July 12 (Wednesday)

California Electric Power Co.—Bonds
(Bids 9 a.m. PST) $8,000,000

August 8 (Tuesday)

Northern States Power Co.—Bonds
(Bids to be received) $20,000,000

August 15 (Tuesday)

Consumers Power Co.—Bonds
(Bids to be received) $40,000,000

September 27 (Wednesday)

Rochester Gas & Electric Corp.—Bonds
(Bids to be received) $12,000,000

September 28 (Thursday)

Mississippi Power Co.—Bonds
(Bids to be received) $5,000,000

Mississippi Power Co.—Preferred
(Bids to be received) $5,000,000

October 18 (Wednesday)

Georgia Power Co.—Bonds
(Bids to be received) $15,500,000

Georgia Power Co.—Preferred
(Bids to be received) $8,000,000

December 5 (Tuesday)

Virginia Electric & Power Co.—Bonds
(Bids to be received) $15,000,000

December 7 (Thursday)

Gulf Power Co.—Bonds
(Bids to be received) $5,000,000

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and engineers engaged in research, consultation and product development in the fields of architectural acoustics, applied physics, instrumentation, psychoacoustics, bio-medical technology, man-made machines and information systems. **Proceeds** — For the repayment of debt, and working capital. **Office**—50 Moulton Street, Cambridge, Mass. **Underwriter**—Hemphill, Noyes & Co., New York City (managing). **Offering**—Expected in late June.

★ Bonded Homes, Inc.
May 15, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Office**—2328 N. W. 7th St., Miami, Fla. **Underwriter**—Givens & Co., Inc., 1202 duPont Bldg., Miami 32, Fla.

Bookshelf of America, Inc.
April 17, 1961 (letter of notification) 74,950 shares of common stock (par 10 cents). **Price** — $4 per share. **Business**—The mail order sale of religious books. **Proceeds**—For moving expenses, new equipment and working capital and general corporate purposes. **Office**—889 Broadway, New York, N. Y. **Underwriter**—D. H. Blair & Co., New York, N. Y.

★ Bramalea Consolidated Developments, Ltd.
May 19, 1961 filed $6,000,000 (U. S.) of 6½% sinking fund debentures due July 1, 1973, 600,000 shares of common stock and 240,000 12-year warrants (exercisable at $10 per share) to be offered for public sale in units, each consisting of $50 of debentures, five common shares and two warrants. **Price** — $100 per unit. **Business** — The company is building a planned industrial-commercial-residential community at Chinquacousy, Ont., near Toronto. **Proceeds**—To repay debt and for working capital. **Office**—P. O. Box 129, Brampton, Ont., Canada. **Underwriter**—Shields & Co., New York City (managing).

Broadcast International, Inc. (6/6)
Feb. 28, 1961 (letter of notification) 60,000 shares of common stock (par five cents). **Price**—$5 per share. **Business**—Producers of radio and television programs. **Proceeds**—For general corporate purposes. **Office**—3 W. 57th St., New York City. **Underwriter**—Harry Odzer Co., New York, N. Y.

Brooklyn Union Gas Co. (6/8)
May 1, 1961 filed $20,000,000 of first mortgage bonds due 1986. **Proceeds**—For the repayment of bank loans and other corporate purposes. **Office**—176 Remsen Street, Brooklyn, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp., and Harriman Ripley & Co., Inc. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; White, Weld & Co.; Blyth & Co., Inc., and F. S. Moseley & Co. (jointly). **Bids**—To be received on June 8, 1961.

CMC Finance Group, Inc.
April 28, 1961 filed 150,000 shares of class A common stock. **Price**—To be supplied by amendment. **Business**—The company, through its 20 subsidiaries, is engaged in the consumer finance business in North Carolina, South Carolina and Georgia. **Proceeds** — For working capital. **Office**—1009 Wachovia Building, Charlotte, N. C. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

Cable Carriers, Inc.
March 23, 1961 filed 196,109 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company which began operations in 1954, is engaged in the research and development of special material handling systems for industrial and commercial use based on company-owned patents. **Proceeds**—For working capital. **Office**—Kirk Boulevard, Greenville, S. C. **Underwriter**—To be named.

● Canandaigua Enterprises Corp. (7/5)
May 2, 1961 filed $4,000,000 of sinking fund debentures due 1976, 240,000 shares of class A stock, and warrants to purchase 120,000 shares of class A stock to be offered for public sale in units, each consisting of $500 of debentures, 30 class A shares, and 6-year warrants to purchase 15 class A shares at $5 per share. **Price**—To be supplied by amendment. **Business**—The company owns a majority stock interest in Finger Lakes Racing Association, Inc., which is erecting a thoroughbred race track at Canandaigua, New York. The company plans to engage in recreational and entertainment activities and may construct hotels, motels or restaurants adjacent to the race track. **Proceeds**—For construction, working capital and general corporate purposes. **Office**—29 Broadway, New York City. **Underwriter**—S. D. Fuller & Co., New York City (managing

● Capital For Technical Industries, Inc. (6/5-9)
April 10, 1961 filed 500,000 shares of common stock. **Price**—$10 per share. **Business**—A small business investment company. **Proceeds**—To repay a loan and to provide long term capital to small business concerns. **Office**—1281 Westwood Blvd., Los Angeles, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

● Capital Properties Inc.
April 21, 1961 filed $600,000 of 9½% debentures due 1977 and 12,000 shares of common stock to be offered for public sale in units of $1,000 of debentures and 20 common shares. **Price**—$1,000 per unit. **Business**—The company plans to purchase and lease back three buildings to be erected by Tower's Marts, Inc., for use as retail discount department stores. **Proceeds**—For acquisition of the above properties. **Office**—36 Pearl St., Hartford, Conn. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

Capital Southwest Corp.
May 8, 1961 filed 1,250,000 shares of common stock. **Price**—$11 per share. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—6517 Hillcrest Avenue, Dallas, Texas. **Underwriter**—Rotan, Mosle & Co., Houston, Texas (managing).

● Century Properties
March 15, 1961 filed 134,116 shares of common stock (par $1) being offered for subscription by stockholders on the basis of one new share for each four shares held of record May 5, with rights to expire May 31. **Price**—$6 per share. **Business**—The development, operation, and leasing of real estate. **Proceeds**—For the acquisition of

land and the erection of a bank building in Los Angeles. Office—1758 South La Cienega Boulevard, Los Angeles, Calif. Underwriter—None.

Chalco Engineering Corp. (6/5-9)
Jan. 30, 1961 filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The company is engaged in the business of engineering, research, development, manufacturing and installation of custom communication systems and electronic, electro-mechanical and mechanical systems and devices for ground support facilities for missile and space programs of the U. S. Government. The company also manufactures special purpose products sold for military use. **Proceeds**—For the repayment of loans and for working capital. **Office** — 15126 South Broadway, Gardena, Calif. **Underwriter** — First Broad Street Corp., New York City (managing).

• Chemonics Corp. (6/5-9)
Nov. 14, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—Manufacturers of printed circuits for the missile industries. **Proceeds** — For general corporate purposes and working capital. **Office**—990 S. Fairoaks Ave., Pasadena, Calif. **Underwriters**—Grant, Fontaine & Co., Oakland, Calif. (managing); Evans MacCormack & Co., Los Angeles, Calif.; Stone & Youngberg, San Francisco and Sellgren, Miller & Co., Oakland, Calif.

Chester Litho Inc.
May 12, 1961 filed 100,000 shares of common stock. **Price**—$4 per share. **Business**—Commercial printing and art. **Proceeds**—For working capital. **Office**—Chester, N. Y. **Underwriter**—S. Schramm & Co., Inc., New York City (managing).

• Chock Full O' Nuts Corp. (6/5-9)
April 7, 1961 filed $7,500,000 of subordinated debentures, due May 1, 1961. **Price**—To be supplied by amendment. **Business**—The operation of a chain of restaurants in the New York City area, and the packaging and retail sale of coffee. **Proceeds**—For expansion. **Office**—425 Lexington Avenue, New York 17, N. Y. **Underwriter**—F. Eberstadt & Co., New York City (managing).

• Chroma-Glo, Inc. (6/15)
March 2, 1961 (letter of notification) 90,000 shares of common stock (par 50 cents). **Price** — $3.30 per share. **Business** — The manufacture of pressure sensitive emblems. **Proceeds**—For payment of obligations; purchase of equipment; and for working capital. **Office**—525 Lake Ave., S., Duluth 2, Minn. **Underwriter**—Jamieson & Co., Minneapolis, Minn.

Church Builders, Inc.
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—$5.50 per share. **Business**—A closed-end diversified investment company of the management type. **Proceeds**—For investment. **Office**—501 Bailey Avenue, Fort Worth, Texas. **Distributor**—Associates Management, Inc., Fort Worth, Texas.

Cinema Syndicate, Inc.
May 2, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—The production of motion pictures. **Proceeds**—For the repayment of loans; purchase of equipment; production of four motion pictures, and working capital. **Office**—619 W. 54th St., New York, N. Y. **Underwriter**—Fontana Securities, Inc., New York, N. Y.

• City Products Corp. (6/12-16)
April 27, 1961 filed $15,000,000 of convertible subordinated debentures due June 1, 1982. **Business**—The company and its subsidiaries distribute general merchandise, and operate refrigerator car icing and vacuum cooling plants, cold storage warehouses, dairies, breweries and coal and oil distribution facilities. **Proceeds**—To retire outstanding notes and for working capital. **Underwriters**—Lehman Brothers and White, Weld & Co., New York City (managing).

Clairtone Sound Corp. Ltd.
March 22, 1961 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design, manufacturing and distribution of stereophonic high fidelity radio-phonograph consoles and accessories. **Proceeds** — For research and development, expansion, increased inventories and repayment of debt. **Office**—118 Rivalda Road, Weston, Ont., Canada. **Note** — This statement was withdrawn.

Clark Equipment Credit Corp.
April 21, 1961 filed $20,000,000 of debentures, series A, due 1981. **Price**—To be supplied by amendment. **Business**—The financing in the U. S. and Canada of retail time sales of products manufactured by Clark Equipment Co., parent. **Proceeds**—For the repayment of debt. **Office**—324 East Dewey Ave., Buchanan, Mich. **Underwriters**—Lehman Brothers and Blyth & Co., Inc., New York City (managing). **Offering**—Expected about mid-June.

Clarkson Laboratories, Inc.
April 27, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business**—The company plans to engage in the development, manufacture, packaging and sale of industrial chemicals and latex, resins and plastic compounds for industrial and commercial use. **Proceeds**—For plant additions, repayment of debt, and working capital. **Office**—1450 Ferry Avenue, Camden, N. J. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., both of New York City.

Color Reproductions, Inc.
May 10, 1961 (letter of notification) 950 units of $95,000 of 6% subordinated debentures, due June 30, 1971, and 47,500 shares of common stock (par one cent) to be offered in units, each unit consisting of $100 of debentures and 50 shares of common stock. **Price**—$287.50 per unit. **Business**—The company makes color photographs and reproductions for churches, institutions, seminaries and schools. **Proceeds**—For equipment; sales promotion; repayment of loans; construction of buildings and improvements of facilities. **Office**—202 E. 44th St., New York, N. Y. **Underwriter**—William, David & Motti, Inc., New York, N. Y.

Color-Tone Originals, Inc.
May 1, 1961 (letter of notification) 37,500 shares of common stock (par 10 cents). **Price**—$4 per share. **Business** — Manufacturers of greeting cards. **Proceeds** — For advertising; inventory; machinery and working capital. **Office**—112 Pearl St., Mt. Vernon, N. Y. **Underwriter**—D. Klapper Associates, Inc., New York, N. Y.

Colorplate Engraving Co.
April 25, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price** — $4 per share. **Business**—Color photo-engraving. **Proceeds**—For repayment of loans; acquisition of equipment, and working capital. **Office**—311 W. 43rd Street, New York, N. Y. **Underwriter**—Mineo & Co., 99 Wall Street, New York, New York.

Columbia Gas System, Inc. (6/1)
April 21, 1961 filed $30,000,000 of debentures due June 1986. **Office**—120 E. 41st St., New York City. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly). **Bids**—To be received at the company's office on June 1 at 11 a.m. (DST).

Community Public Service Co. (6/7)
April 26, 1961 filed $5,000,000 of first mortgage bonds, series F, due June 1, 1991. **Proceeds**—For the repayment of loans and for construction. **Office**—408 West Seventh Street, Fort Worth, Texas. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Paine, Webber, Jackson & Curtis; First Southwest Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—To be received on June 7 at 11 a.m. (DST) on the 19th floor of 90 Broad Street, New York City. **Information Meeting**—Scheduled for June 5 at 3 p.m. (DST) on the 23rd Floor of One Chase Manhattan Plaza, New York City.

Components Specialties, Inc.
April 20, 1961 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$3.50 per share. **Business**—The importation and sale of electronic subminiature components. **Proceeds** — For repayment of debt; advertising, inventory and working capital. **Office**—3 Foxhurst Road, Baldwin, L. I., N. Y. **Underwriter**—Fund Planning, Inc., New York, N. Y.

Comptometer Corp.
March 31, 1961 filed 160,401 shares of common stock to be offered for subscription by holders of outstanding common stock; 6½% subordinated convertible sinking fund debentures, series A, due 1970; and option agreements for the purchase of common shares. Warrants will be issued on the basis of one right for each common share held on the record date, one right for each share issuable upon conversion of a series A debenture, as if such debenture had been converted, and one right for each share issuable under the option agreements. The warrants will provide that one new share will be issuable for each eight rights tendered. **Price**—To be supplied by amendment. **Business**—The company's activities are organized on a divisional basis—Business Machines, Communications and Electronics, Business Forms, Burke Golf and Worthington Golf Ball Divisions. **Proceeds**—For the repayment of debt and for working capital. **Office**—5600 West Jarvis Ave., Chicago, Ill. **Underwriters** — To be named.

• CompuDyne Corp. (6/26)
May 12, 1961 filed 168,000 shares of common stock, of which 120,000 are to be offered for public sale by the company and 48,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The furnishing of instruments and systems for missile sites, and the design, development, assembly and manufacture of electronic and other devices used in the automatic control of aeronautical and missile test facilities. **Proceeds**—For inventory expansion, research and development, the redemption of outstanding 6% debentures due Dec. 1, 1961, and working capital. **Office**—404 South Warminster Rd., Hatboro, Pa. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Computer Equipment Corp.
April 5, 1961 (letter of notification) 46,780 shares of common stock (no par) to be offered for subscription by stockholders on the basis of one new share for each 10 shares held. **Price**—$2.10 per share. **Proceeds**—For research and production, and general corporate purposes. **Office** — 11612 W. Olympic Blvd., Los Angeles, Calif. **Underwriter** — Holton, Henderson & Co., Los Angeles, Calif.

Consolidated Bowling Corp.
March 29, 1961 filed 738,000 shares of common stock and $900,000 of 6% convertible subordinated debentures, due in July, 1981. **Prices**—For the stock: $3.50 per share; for the debentures: 100% of principal amount. **Business**—Operates bowling centers and owns real estate. **Proceeds** — For expansion. **Office** — 880 Military Road, Niagara Falls, N. Y. **Underwriter**—None.

Consolidated Edison Co. of New York, Inc. (6/20)
May 9, 1961 filed 50,000,000 of 30-year first mortgage bonds. **Office**—4 Irving Place, New York City. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co. **Bids**—To be received at the company's office on June 20 at 11 a.m. **Information Meeting**—Scheduled for June 13 at 10 a.m., on the 13th floor of 4 Irving Place, New York City.

Consumers Automatic Vending, Inc. (5/29)
March 31, 1961 filed 125,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—The installation, maintenance and servicing of automatic vending machines, including complete in-plant automatic cafeterias, in the metropolitan New York area. **Proceeds**—For equipment, the reduction of debt and other corporate purposes. **Office** — 59-05 56th Street, Maspeth, N. Y. **Underwriters**—Diran, Norman & Co., and V. S. Wickett & Co., Inc., both of New York City.

Cortez Life Insurance Co.
Jan. 12, 1961 filed 500,000 shares of common stock. **Price**—$3 per share. **Business**—The company is engaged in the business of writing life insurance, annuity policies and re-insurance. **Proceeds**—For general corporate purposes. **Office**—304 Main St., Grand Junction Colo. **Underwriter**—None.

Criterion Insurance Co.
March 27, 1961 filed 515,000 shares of common stock (par $2), being offered for subscription by common stockholders of Government Employees Life Insurance Co., and Government Employees Corp., on the basis of one new share for each 10 shares held of record March 30, and by stockholders of Government Employees Insurance Co., on the basis of one new share for each five shares held of record March 30, with rights to expire June 5. **Price** — $6 per share. **Business** — The company was organized on March 22, 1961 by the management of the three Government Employees Group companies and plans to engage in all kinds of fire and casualty insurance business. **Proceeds**—For general corporate purposes. **Office**—Government Employees Insurance Building, Washington, D. C. **Underwriter** — None. **Note**—This statement was effective May 8.

Crown Aluminum Industries Corp.
May 1, 1961 filed $2,000,000 of convertible subordinated debentures due 1976. **Price**—To be supplied by amendment. **Business** — The manufacture and distribution of enameled aluminum siding and aluminum accessories. **Proceeds**—For plant expansion, new equipment and the development of new products. **Office**—5820 Center Avenue, Pittsburgh, Pa. **Underwriters** — Adams & Peck; Allen & Co., and Andresen & Co., all of New York City.

Curley Co. Inc. (5/29)
March 30, 1961 filed 50,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture and packaging of household liquid detergents for distribution under private labels. **Proceeds**—For general corporate purposes. **Office**—Jefferson and Masters Sts., Camden, N. J. **Underwriter**—Carter, Berlind, Potoma & Weill, New York City (managing).

Custom Shell Homes, Inc.
May 8, 1961 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds**—To erect sample homes, repay a loan, and for expansion and working capital. **Office**—412 W. Saratoga St., Baltimore, Md. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

Customline Control Panels, Inc. (5/29)
Feb. 21, 1961 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Business**—Manufacturers of control panels for centralized control of chemical and industrial processes. **Proceeds**—For a training program for additional engineering personnel; additional capital equipment; payment of a bank loan; opening of a Los Angeles sales and engineering office; research and development and working capital. **Office**—1379 E. Linden Avenue, Linden, N. J. **Underwriter**—Blaha & Co., Inc., Long Island City, N. Y.

Dalto Corp.
March 29, 1960 filed 431,217 shares of common stock to be offered for subscription by holders of such stock of record Oct. 7 at the rate of one-and-a-half new shares for each share then held. **Price**—$1.25 per share. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—Sterling, Grace & Co., 50 Broad St., New York City. **Offering**—Indefinitely postponed.

Data Processing, Inc.
April 12, 1961 (letter of notification) 75,000 shares of no par common stock. **Price**—$4 per share. **Business**—The research, design and development of advanced digital computer programs. **Proceeds**—To purchase or lease computer equipment. **Office**—1334 Main St., Waltham, Mass. **Underwriter** — First Weber Securities Corp., 79 Wall St., New York City.

Datatrol Corp.
April 26, 1961 filed 60,000 shares of common stock. **Price**— $4.25 per share. **Business**—The company acts as a consultant or advisor in matters pertaining to data processing problems and equipment. **Proceeds**—To develop data processing systems and for working capital. **Office**—8113-A Fenton Street, Silver Spring, Md. **Underwriter** — First Investment Planning Co., Washington, District of Columbia.

★ Davenport Water Co.
May 15, 1961 (letter of notification) 3,000 shares of 5½% cumulative preferred stock. **Price** — At par ($100 per share). **Office**—214 Perry St., Davenport, Iowa. **Underwriter**—Quail & Co., Inc., Davenport, Iowa.

Davidson Optronics, Inc.
May 1, 1961 (letter of notification) 50,000 shares of capital stock (par $1). **Price**—$6 per share. **Proceeds**—To pay current liabilities and for working capital. **Office**—2223 Ramona Boulevard, West Covina, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

De-Flectronics, Inc. (6/15)
April 13, 1961 (letter of notification) 112,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Busi-**

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ness — The manufacture of electronic components and assemblies. **Proceeds** — For the purchase of inventory; manufacturing facilities and working capital. **Office**—50 E. Third St., Mount Vernon, N. Y. **Underwriter**—Theodore Arrin & Co., New York, N. Y.

De Soto Chemical Coatings, Inc. (6/5)
May 4, 1961 filed 1,000,000 outstanding shares of common stock, to be offered for public sale by the present holder thereof (Sears, Roebuck & Co.). **Price**—To be related to the current market price of the stock on the New York Stock Exchange at the time of the sale. **Business** — The manufacture and sale of paints, industrial coatings and wallpaper. **Proceeds**—For the selling stockholder. **Address**—1350 South Koster Ave., Chicago, Ill. **Underwriters** — Goldman, Sachs & Co., and Lehman Brothers, New York City.

• Decitron Electronics Corp.
March 16, 1961 filed 50,000 shares of common stock (par one cent), of which 30,000 shares are to be offered for public sale by the company and 20,000 outstanding shares by the present holders thereof. **Price** — $2 per share. **Business** — The design, manufacture and sale of electronic equipment for the U. S. Government. **Proceeds** — For research and development and for working capital. **Office**—850 Shepherd Ave., Brooklyn, N. Y., **Underwriter**—M. L. Lee & Co., New York City.

Denver Real Estate Investment Fund
May 15, 1961 filed 600,000 shares in the Fund. **Price**—To be supplied by amendment. **Business**—The Fund will offer investors the opportunity to participate jointly in large and diversified real estate investments which offer promise of growth and increased values. **Proceeds**—For investment. **Office**—660 17th Street, Denver, Colo. **Underwriters** — Bosworth, Sullivan & Co., Inc., and Boettcher & Co., both of Denver, Colo. (managing).

• Development Corp. of America (6/21)
March 30, 1961 filed 200,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The development and construction of single-family residences and communities in Florida. **Proceeds**—For general corporate purposes. **Office** — 5707 Hollywood Boulevard, Hollywood, Fla. **Underwriter**—Amos Treat & Co., Inc., New York City (managing). **Offering** — Expected in early June.

★ Dextone Co., Inc.
May 10, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Office**—c/o Archibald G. Marshall, counsel, 129 Church St., New Haven, Conn. **Underwriter** — S. Schramm & Co., Inc., New York, N. Y.

★ Diamond Crystal Salt Co.
May 22, 1961 filed 300,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 916 South Riverside Drive, St. Clair, Mich. **Underwriter**—Kidder, Peabody & Co., New York City (managing).

Diotron, Inc. (6/19-23)
March 29, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—For raw materials, production, testing and working capital. **Office** — 3650 Richmond St., Philadelphia, Pa. **Underwriter**—Royer Securities Co., Philadelphia, Pa.

Dixon Chemical Industries, Inc. (6/5-9)
March 31, 1961 filed $1,500,000 of 6% convertible subordinated income debentures due 1981 to be offered for subscription by holders of the company's common stock. **Price** — To be supplied by amendment. **Business** — The manufacture of sulfuric acid. **Proceeds**—For the construction of a new plant and for working capital. **Office**—1260 Broad Street, Bloomfield, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York City (managing).

Dixon Chemical & Research, Inc. (6/5-9)
March 31, 1961 filed $2,900,000 of 6% convertible sinking fund debentures, due 1978. **Price**—To be supplied by amendment. **Business**—The production of sulfuric acid, liquid sulfur dioxide, aluminum sulfate, chromic acid and corrosion-resistant coatings. **Proceeds** — For construction of a new plant, repayment of debt, and working capital. **Office**—1260 Broad Street, Bloomfield, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York City (managing).

Dodge Wire Corp. (5/29-6/1)
Dec. 7, 1960, filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The manufacture of woven aluminum screen cloth. **Proceeds**—The repayment of indebtedness and general corporate purposes. **Office**—Industrial Blvd., Covington, Ga. **Underwriter**—Plymouth Securities Corp., New York City.

Dollar Mutual Fund, Inc.
April 25, 1961 filed 100,000,000 shares of capital stock. **Price** — $1 per share. **Business** — A diversified mutual fund. **Proceeds** — For investment. **Office** — 736 Midland Bank Bldg., Minneapolis, Minn. **Underwriter**—Fund Distributors, Inc.

Dolomite Glass Fibres, Inc.
Dec. 27, 1960 filed 200,000 shares of 7% preferred stock (cumulative - convertible); 200,000 class A common shares (voting) and 1,000,000 common shares (non-voting). **Price**—$10 per share for the preferred and $1 per share for the class A and common shares. **Business**—The manufacture and sale of glass fibre for insulation and glass fibre threads, mats and rovings for use in the production of reinforced plastics. **Proceeds**—For working capital and the purchase of additional equipment. **Office**—1037 Jay St., Rochester, N. Y. **Underwriter** — None. **Offering**—Expected in early June.

Donnelley (R. R.) & Sons Co.
May 17, 1961 filed 270,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company is the largest commercial printer in the U. S. **Proceeds**—To selling stockholders. **Office**—350 E. 22nd St., Chicago 16, Ill. **Underwriter**—Harriman Ripley & Co., New York City (managing).

Doughboy Industries, Inc.
April 12, 1961 filed 100,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of flour used for spaghetti, macaroni and noodles; the production of animal feeds, plastic toys and swimming pools, and the manufacture of machinery for heat sealing and labeling containers. **Proceeds** — For working capital and the repayment of loans. **Office**—New Richmond, Wis. **Underwriter**—Kalman & Co., Inc., St. Paul, Minn. (managing).

Dubow Chemical Corp.
April 10, 1961 (letter of notification) 80,000 shares of class A common stock (par one cent). **Price**—$2.25 per share. **Business**—The development and manufacture of chemical products. **Proceeds**—For general corporate purposes. **Office**—222 Newbridge Ave., East Meadow, L. I., N. Y. **Underwriters** — Planned Investing Corp., New York City and Fidelity Investors Service, East Meadow, L. I., N. Y.

Dynamic Measurements Co.
April 17, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—For building, equipment, and working capital. **Address**—Jenkintown, Pa. **Underwriter**—Harrison & Co., Philadelphia, Pa.

Dynamic Vending Corp.
April 26, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price** — $4 per share. **Business**—The purchase and sale of vending equipment and electrical appliances. **Proceeds**—For general corporate purposes and working capital. **Office** — 44 Beaver Street, New York 4, N. Y. **Underwriter**—A. D. Gilhart & Co., Inc., New York, N. Y.

★ Eagle Ridge, Inc.
May 12, 1961 (letter of notification) 1,700 shares of common stock (no par). **Price**—$100 per share. **Office**—469 Main St., Bennington, Vt. **Underwriter**—None.

• Eastern Camera & Photo Corp.
Dec. 29, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price—$4 per share. Business**—Operating a chain of retail stores and concessions selling cameras, film and photographic supplies and equipment; also processes and prints black and white photographic film. **Proceeds**—To reduce indebtedness incurred by acquisitions, to pay notes due, and for general corporate purposes. **Office**—68 W. Columbia Street, Hempstead, N. Y. **Underwirter**—First Broad Street Corp., Inc., New York, N. Y. **Note**—This company formerly was named Eastern Camera Exchange, Inc. **Offering**—Imminent.

Eastern Lime Corp. (5/29-6/2)
March 31, 1961 filed $700,000 of subordinated debentures, due 1976. **Price**—At 100% of principal amount. **Business**—The operation of a quarry in Kutztown, Pa., and the production of limestone for cement companies. **Proceeds**—For new equipment and the repayment of debt. **Office**—Kutztown, Pa. **Underwriters**—Stroud & Co., Inc., Philadelphia and Warren W. York & Co., Inc., Allentown, Pa. (co-managers).

Ed-U-Cards Mfg. Corp.
April 21, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price** — $3 per share. **Business**—The manufacture of card games and educational items. **Proceeds**—For repayment of loans; working capital; promotion, and new market developments. **Office** — 1305 44th Avenue, Long Island City, N. Y. **Underwriters**—Kenneth Kass and J. J. Krieger & Co., Inc., New York, N. Y.

★ Educational Development Corp.
May 11, 1961 (letter of notification) 150,000 shares of capital stock (par $1). **Price**—$2 per share. **Office**—200 S. California Ave., Palo Alto, Calif. **Underwriter**—None.

Eichler Homes, Inc.
May 16, 1961 filed $2,000,000 of convertible subordinated debentures due June 1, 1973. **Price**—To be supplied by amendment. **Business**—The erection of apartments and homes in So. California. **Proceeds**—For the purchase of additional land. **Office**—Palo Alto, Calif. **Underwriter**—J. S. Strauss & Co., San Francisco, Calif. (managing).

Electra International, Ltd.
May 5, 1961 filed 70,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The manufacture of products in the automotive ignition field for sale outside of the United States. **Proceeds** — For research, and development, and working capital. **Office**—222 Park Ave., South, New York City. **Underwriters**—Robert A. Martin Associates, Inc., and Ezra Kureen Co., both of New York City.

• Electrarc, Inc.
April 21, 1961 filed 100,000 shares of common stock, **Price** — $5 per share. **Business** — The research and development of arc welding and wire shielding. **Proceeds**—For equipment, working capital and miscellaneous expenses. **Office**—505 Washington St., Lynn, Mass. **Underwriter**—P. de Rensis & Co., Inc., Boston, Mass. **Offering**—Expected in June.

Electro Industries, Inc.
July 19, 1960 (letter of notification) 75,000 shares of class A common stock (no par) and 20,000 shares of additional class A common stock to be offered to the underwriters. **Prices**—Of class A common, $2 per share; of additional class A common, 2½ cents per share. **Proceeds** — To expand the company's inventory to go into the packaging and export of electrical equipment, and for working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter — Carleton Securities** Corp., Washington, D. C.

Electronic Aids, Inc.
March 29, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business**—Engaged in medical electronics and the production of electronic teaching devices. **Proceeds** — To purchase equipment and raw materials, and for working capital. **Office**—857 N. Eutaw St., Baltimore, Md. **Underwriter**—R. Topik & Co., Inc., 295 Madison Ave., New York, N. Y.

Electronic Associates, Inc. (5/29)
March 30, 1961 filed 75,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Business**—The development, production and sale of analog computers and precision electronic laboratory equipment; and also computer engineering services at three centers in the United States and Europe. **Proceeds** — To repay loans and for working capital. **Office** — Long Branch, N. J. **Underwriter**—W. C. Langley & Co., New York City (managing).

★ Electronic Products Corp.
May 11, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$2 per share. **Office**—4642 Belair Rd., Baltimore, Md. **Underwriters**—Bertner Bros. and Earl Edden, New York, N. Y.

• Elgeet Opitcal Co., Inc. (6/5-9)
Price — $6.50 per share. **Business** — The production of March 28, 1961 filed 180,000 shares of common stock. lenses and optical systems for camera manufacturers. **Proceeds**—For repayment of bank loans, new machinery, research and development, with the balance for general corporate purposes. **Office**—838 Smith Street, Rochester, N. Y. **Underwriter**—Troster, Singer & Co., New York City (managing).

Elion Instruments, Inc. (5/31)
Oct. 28, 1960 filed 60,000 outstanding shares of capital stock (par 50 cents), together with five-year warrants for the purchase of 6,000 new capital shares, to be offered for sale in units of one share of stock and one-tenth of a warrant. No sale will be made of less than 10 such units. **Price**—To be related to the price of the company's stock in the over-the-counter market immediately prior to the offering. **Business**—The firm makes and sells instruments and equipment for scientific and industrial measurement and analyses. **Proceeds**—To selling stockholders, who are two company officers who will lend the net proceeds to the company. **Office**—430 Buckley St., Bristol, Pa. **Underwriter** — Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa.

Empire Life Insurance Co. of America
March 14, 1961 (letter of notification) 30,000 shares of capital stock (no par). **Price**—$10 per share. **Proceeds**—To go to selling stockholders. **Office**—2801 W. Roosevelt Road, Little Rock, Ark. **Underwriter**—Consolidated Securities, Inc., 2801 W. Roosevelt Road, Little Rock, Ark.

Enterprise Equipment, Inc.
April 5, 1961 filed 12,000 shares of 6% cumulative preferred stock. **Price**—At par ($25). **Business**—The company was organized in January, 1961, by Arden Farms Co., parent, to own and lease trucks and equipment used in the processing and distribution of dairy products. **Proceeds**—For general corporate purposes. **Office**—1501 Fourth Avenue South, Seattle, Wash. **Underwriter**—None.

★ Enterprise Hotel Development Corp.
May 19, 1961 filed 242,000 shares of common stock and 9,680 shares of preferred stock (par $100) to be offered for public sale in units of one preferred and 25 common shares. **Price**—$150 per unit. **Business**—The company was formed by the Commonwealth of Puerto Rico to build and own a luxury, beach-front hotel in San Juan. The hotel will be operated under a 30-year lease by a subsidiary of Sheraton Corp. of America. **Proceeds**—For construction. **Office**—1205 Ponce de Leon Avenue, Santurce, P. R. **Underwriter**—None.

• Equity Capital Co. (6/5-9)
April 7, 1961 filed 100,000 shares of common stock (par $1.25). **Price**—To be supplied by amendment. **Business** — The making of short-term construction and second mortgage loans, and the buying of improvement loan obligations from the holders thereof. **Proceeds**—To retire debt and for working capital. **Office** — 430 First Avenue North, Minneapolis, Minn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

★ Eurofund, Inc.
May 18, 1961 filed 551,250 shares of common stock (par $1) to be offered for subscription by stockholders on the basis of one new share for each two shares held. **Price**—To be supplied by amendment. **Business**—The Fund invests in securities of companies having operations in the Common Market Area of Europe. **Proceeds**—For investment. **Office**—14 Wall Street, New York City. **Underwriters**—Glore, Forgan & Co., (managing); Francis I. du Pont & Co.; Shearson, Hammill & Co., all of New York City.

★ Fairfield Controls, Inc.
May 19, 1961 filed 150,000 shares of common stock. **Price**—$1 per share. **Business**—The manufacture of electronic solid state power controls designed by the company's engineers from specifications supplied by customers. **Proceeds**—For equipment, repayment of a loan, inventory, advertising and working capital. **Office**—114 Manhattan Street, Stamford, Conn. **Underwriters**—Globus, Inc., and Lieberbaum & Co., both of New York City.

Faradyne Electronics Corp.
Jan. 30, 1961 filed $2,000,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture

and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for woorking capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—S. D. Fuller Co.

Federal Factors, Inc.
May 8, 1961 filed $700,000 of 6½% convertible subordinated debentures due 1976 and 70,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—A finance company. **Proceeds**—To repay loans, and for working capital. **Office**—400 S. Beverly Drive, Beverly Hills, Calif. **Underwriters**—Thomas Jay, Winston & Co., Beverly Hills, Calif.; Maltz, Greenwald & Co. and Globus, Inc., New York, N. Y.

Fiat Metal Manufacturing Co., Inc.
March 29, 1961 filed 220,462 outstanding shares of common stock (par 10 cents), to be offered for public sale by the present holder thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of prefabricated metal shower cabinets, glass shower enclosures and pre-cast shower floors. **Proceeds**—For the selling stockholder. **Office** — Michael Court, Plainview, L. I., N. Y. **Underwriter**—Dempsey-Tegeler & Co., St. Louis and New York City. **Offering**—Expected in early-to-mid June.

Fidelity Bankers Life Insurance Corp. (6/26-30)
April 27, 1961 filed 547,128 shares of common stock. **Price** — To be supplied by amendment. **Business** — The writing of ordinary, group and credit life insurance in 13 states and the District of Columbia. **Proceeds**—For additional capital. **Office**—Broad at Willow Lawn, Richmond, Va. **Underwriters** — Lee Higginson Corp., and Shearson, Hammill & Co., both of New York City (managing).

Fireco Sales Ltd. (6/15)
March 31, 1961 filed 123,000 outstanding shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The service merchandising of non-food consumer items in Canada, mainly in supermarkets. **Proceeds** — For the selling stockholder. **Office** — 33 Racine Rd., Rexdale (Toronto), Canada. **Underwriter**—McDonnell & Co., New York City (managing).

First Diversified Fund
May 15, 1961 filed 20,000 shares of the Fund. **Price**—$100 per share. **Business**—The Fund was organized in May, 1961, to provide investors with an opportunity to own an interest in diversified income-producing properties, chiefly real estate. **Proceeds**—For investment. **Office**—627 Salem Avenue, Dayton, Ohio. **Sponsor**—The Dahio Co., Dayton, Ohio.

First Small Business Corp. of New Jersey
April 18, 1961 filed 300,000 shares of capital stock (par $1), to be offered for public sale by the present holder thereof. **Price** — $12.50 per share. **Business** — A small business investment company organized in July, 1960, by the National State Bank of Newark, sole stockholder. **Proceeds**—For investment and working capital. **Office**—810 Broad St., Newark, N. J. **Underwriters**—Shearson, Hammill & Co., New York City and Heller & Meyer, East Orange, N. J. **Offering**—Expected in early June.

First Small Business Investment Company of Tampa, Inc.
Oct. 6, 1960 filed 500,000 shares of common stock. Price—$12.50 per share. Proceeds — To provide investment capital. Office—Tampa, Fla. Underwriter—None.

Flato Realty Fund
April 21, 1961 filed 2,000,000 shares of participation in the Fund. **Price**—$10 per share. **Business**—A new real estate investment trust. **Proceeds** — For investment. **Office**—Highway 44 and Baldwin Blvd., Corpus Christi, Texas. **Distributor**—Flato, Bean & Co., Corpus Christi, Texas.

Fox Head Brewing Co.
March 16, 1961 (letter of notification) 52,806 shares of common stock (par $1.25). **Price**—At-the-market at time of sale. **Proceeds**—For redemption of preferred stock, and working capital. **Office** — 227 Maple Avenue, Waukesha, Wis. **Underwriter** — Milwaukee Co., Milwaukee, Wis.

Fox-Stanley Photo Products, Inc. (6/5-9)
March 29, 1961 filed 387,500 shares of common stock (par $1) of which 50,000 shares are to be offered for public sale by the company and 337,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—In May 1961 the company plans to take over the businesses of The Fox Co., San Antonio, Tex., and the Stanley Photo Service, Inc., St. Louis, Mo., which are now engaged in the processing of photographic films and the sale of photographic equipment. **Proceeds**—For working capital and possible future acquisitions. **Office**—1734 Broadway, San Antonio, Tex. **Underwriter**—Equitable Securities Corp., Nashville, Tenn.

Frederick-Willys Co., Inc.
April 20, 1961 (letter of notification) 150,000 shares of common stock (par five cents). **Price**—$1.15 per share. **Proceeds**—To repay debt, purchase additional equipment, for research and development, and working capital. **Office**—6519 Nicollet Avenue, Minneapolis, Minn. **Underwriter**—Continental Securities, Inc., Minneapolis, Minn.

Frontier Airlines, Inc.
March 16, 1961 filed 250,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The transportation by air of passengers, property and mail between 66 cities in 11 states. **Proceeds**—For the selling stockholders. **Office** — 5900 E. 39th Ave., Denver, Colo. **Underwriter**—To be named.

• Futterman Corp. (6/5-9)
March 31, 1961 filed 1,000,000 shares of class A stock (par $1). **Price**—To be supplied by amendment. **Business** — The owning, managing, constructing, acquiring, leasing and sale of real estate properties. **Proceeds**—For the purchase of properties. **Office**—580 Fifth Avenue, New York City. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing).

★ GPC, Inc.
May 22, 1961 refiled 2,055 shares of class A common stock; and $118,500 of 8% certificates of indebtedness to be offered for sale in 1,580 units. **Price**—For the stock—$25 per share. For the units—$75 each. **Business** — The company plans to erect a 32 lane bowling center on Route 58 in Portsmouth, Va. **Proceeds**—For construction. **Address**—Box 583, Portsmouth, Va. **Underwriter**—None.

G-W Ameritronics, Inc. (6/15)
Jan. 25, 1961 filed 80,000 shares of common stock and 100,000 warrants to purchase a like number of common shares, to be offered for public sale in units, each consisting of one share of common stock and two warrants. Each warrant will entitle the holder thereof to purchase one share of common stock at $2 per share from March to August 1961 and at $3 per share from September 1962 to February 1964. **Price** — $4 per unit. **Business** — The company (formerly Gar Wood Philadelphia Truck Equipment, Inc.), distributes, sells, services and installs Gar Wood truck bodies and equipment in Pennsylvania, Delaware, and New Jersey, under an exclusive franchise. **Proceeds** — For general corporate purposes. **Office**—Kensington and Sedgley Avenues, Philadelphia, Pa. **Underwriter**—Fraser & Co., Inc, Philadelphia, Pa.

• Gem International, Inc. (6/5-9)
April 6, 1961 filed 150,000 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The operation of closed-door membership department stores in Denver, Kansas City, St. Louis, Minneapolis, Wichita, Washington, D. C., and Honolulu. **Proceeds**—For the selling stockholders. **Office**—10900 Page Boulevard St. Louis, Mo. **Underwriters**—Bosworth, Sullivan & Co., Inc., Denver, Colo., and Scherck, Richter Co., St. Louis, Mo. (managing).

General Economics Corp.
March 8, 1961 filed 130,000 shares of common stock. **Price**—$5 per share. **Business**—The company is active in the over-the-counter market as both broker and principal, sells mutual fund securities and life insurance, and finances the payment of life insurance premiums. **Proceeds**—For additional working capital. **Office**—130 W. 42nd Street, New York City. **Underwriter**—Continental Planning Co., 130 W. 42nd Street, New York City.

General Resistance, Inc.
April 24, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business**—The manufacture of precision wire sound resistors, restance networks and measuring instruments. **Proceeds**—For repayment of loans; working capital and general corporate purposes. **Office**—430 Southern Boulevard, Bronx, N. Y. **Underwriters**—Flomenhaft, Seidler & Co., Inc., New York, N. Y., and I. R. E. Investors Corp., Levittown, N. Y.

Geriatric Pharmaceutical Corp.
Feb. 28, 1961 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The distribution and sale of geriatric pharmaceuticals. **Proceeds**—For general corporate purposes. **Office**—45 Commonwealth Boulevard, Bellerose, N. Y. **Underwriter**—T. M. Kirsch Co., New York, N. Y. **Offering**—Imminent.

Giannini Scientific Corp.
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par 10 cents). **Price** — $10 per share. **Business**—Research, development and manufacturing in technological fields. **Proceeds** — For general corporate purposes. **Office**—30 Broad Street, New York, N. Y. **Underwriter**—Kidder. Peabody & Co., Inc., New York, N. Y.

Gilbert Data Systems, Inc.
April 14, 1961 filed 175,000 shares of common stock. **Price**—$2 per share. **Business**—The affixing of price tags, packing, warehousing of apparel and other services for department and chain stores. **Proceeds**—For plant additions, repayment of debt and working capital. **Office**—441 Ninth Ave., New York City. **Underwriter**—Schrijver & Co., New York City.

• Gimbel Brothers, Inc. (6/12-16)
May 11, 1961 filed $25,000,000 of sinking fund debentures, due June 1, 1981. **Price** — To be supplied by amendment. **Business**—The issuer, together with its subsidiaries, constitutes one of the country's larger department store organizations. **Proceeds** — About $7,850,000 will be used to redeem the issuer's $4.50 cumulative preferred stock, with the balance to be used for construction of branch stores and general corporate purposes. **Office**—33rd St. and Broadway, New York City. **Underwriters**—Lehman Brothers and Goldman, Sachs & Co., both of New York City (managing).

• Girard Industries Corp. (6/5-9)
March 22, 1961 filed 100,000 shares of common stock (par 50 cents). **Price**—$5 per share. **Business**—The manufacture, and sale of certain types of furniture to retail dealers. **Proceeds**—For a new plant, equipment and working capital. **Office**—San Juan, Puerto Rico. **Underwriter**—Edwards & Hanly, Hempstead, N. Y. (managing). Brand, Grumet & Seigel, Inc.; Kesselmann & Co., Inc.; Casper Rogers & Co., Inc., New York City.

• Golden Triangle Industries, Inc. (6/15)
March 29, 1961 filed 87,500 shares of common stock. **Price** — $4 per share. **Business** — The manufacture and sale of doll carriages, hobby horses and pony stock horses. **Proceeds** — For working capital. **Office** — 100 South 30th and Jane Streets, Pittsburgh, Pa. **Underwriter**—Robert M. Harris & Co., Inc., Philadelphia.

Gordon & Breach, Science Publishers, Inc.
April 21, 1961 (letter of notification) 80,000 shares of common stock (par 10 cents). **Price**—$1.75 per share. **Business**—Publishers of scientific textbooks. **Proceeds**—For working capital. **Office** — 150 Fifth Avenue, New York, N. Y. **Underwriter**—First Weber Securities Corp., New York, N. Y.

• Gordon Jewelry Corp. (6/6)
May 5, 1961 filed 140,000 shares of class A stock. **Price**—To be supplied by amendment. **Business**—The company conducts a retail credit jewelry business and has two life insurance subsidiaries. **Proceeds**—For expansion. **Office**—Stewart Bldg., Houston, Texas. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

Great Lakes Bowling Corp.
Feb. 24, 1961 filed $1,250,000 of 6% convertible subordinated debentures, due 1976. **Price**—$1,000 per debenture. **Business**—The operation of bowling centers with adjoining refreshment facilities in Michigan. **Proceeds**—For construction and working capital. **Office** — 6366 Woodward Ave., Detroit, Mich. **Underwriter**—None.

Greater Arizona Mortgage Co.
May 1, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—Mayer Central Building, Suite 115, Phoenix, Ariz. **Underwriters**—Henry Fricke Co., New York, N. Y. and Preferred Securities, Inc., Phoenix, Ariz.

★ Growth, Inc.
May 17, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Address**—Lynn, Mass. **Underwriter**—Mann & Creesy, Salem, Mass.

Growth Properties
May 9, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company plans to engage in all phases of the real estate business. **Proceeds** — To reduce indebtedness, construct apartment units, buy land, and for working capital. **Office**—Suite 418, Albert Bldg., San Rafael, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif. (managing).

Guaranty National Insurance Co.
Feb. 27, 1961 (letter of notification) 120,000 shares of common stock (par 50 cents). **Price**—$2.50 per share. **Proceeds**—For investment and the operation of the company. **Office**—916 Broadway, Denver, Colo. **Underwriter**—Copley & Co., Colorado Springs, Colo., and Pacific Coast Securities Co., San Francisco, Calif. (co-managers).

★ Gulf-Southwest Capital Corp.
May 19, 1961 filed 1,250,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The company is licensed as a small business investment concern. **Proceeds**—For investment. **Office**—Esperson Building, Houston, Texas. **Underwriters**—Harriman Ripley & Co., New York City and Underwood, Neuhaus & Co., Inc., Houston (managing).

Hager Inc.
March 31, 1961 filed 200,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The financing and sale of household food freezers and frozen foods to the consumer. **Proceeds**—For the repayment of debt and working capital. **Office**—2926 Fairfield Ave., Bridgeport, Conn. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing). **Offering** — Expected in mid-June.

• Hallicrafters Co. (6/27)
April 25, 1961 filed 300,000 shares of outstanding capital stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of short wave radio sets and military electronic equipment. **Proceeds** — To selling stockholders. **Office** — 4401 W. 5th Ave., Chicago, Ill. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

• Handimacher-Vogel, Inc.
May 17, 1961 245,000 shares of common stock, of which 94,950 shares are to be offered for public sale by the company and 120,050 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of women's suits and costumes. **Proceeds**—For the purchase of equipment and inventory and for plant modernization. **Office**—533 7th Ave., New York City. **Underwriter**—None.

Hardeman (Paul), Inc.
April 26, 1961 filed 350,000 shares of common stock (par 25 cents). **Price**—To be supplied by amendment. **Business**—The design, engineering, construction and installation of missile launching bases and related facilities for the armed forces. **Proceeds**—For working capital. **Office**—Stanton, Calif. **Underwriter**—Michael G. Kletz & Co., New York City (managing).

• Harrisonville Telephone Co.
April 3, 1961 (letter of notification) 12,500 shares of common stock (par $20) being offered for subscription by stockholders on the basis of one new share for each two shares held of record May 13 with rights to expire June 5. **Price** — $22.50 per share. **Proceeds** — For the repayment of loans, and working capital. **Address** — Waterloo, Ill. **Underwriter**—McCourtney-Breckenridge & Co., St. Louis, Mo.

• Harvey Aluminum (Inc.)
May 16, 1961 filed 1,000,000 shares of class A common stock. **Price**—To be supplied by amendment. **Business**—The production of primary aluminum and aluminum mill products. **Proceeds**—For expansion. **Office**—19200 So. Western Ave., Torrance, Calif. **Underwriters**—Kuhn, Loeb & Co., Inc., and Tucker, Anthony & R. L. Day, both of New York City (managing). **Offering**—Expected in late June.

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Harvey House, Inc.
May 8, 1961 filed 140,000 shares of common stock. **Price**—$3 per share. **Business**—The publication and distribution of educational books and materials. **Proceeds**—For expansion and the repayment of debt. **Office**—5 South Buckout Street, Irvington-on-Hudson, New York. **Underwriter**—Michael G. Kletz & Co., New York City (managing).

Harvey's Stores, Inc.
April 28, 1961 filed 150,000 outstanding shares of class A stock to be offered for public sale by the present holders thereof. **Price**—$7.50 per share. **Business**—The operation of a chain of women's wear and children's apparel stores in Ohio, Indiana, Illinois and Michigan. **Proceeds**—For the selling stockholders. **Office**—500 Seventh Avenue, New York City. **Underwriter**—Maltz, Greenwald & Co., New York City (managing). **Offering**—Expected in mid-June.

Harwyn Publishing Corp. (6/5-9)
March 30, 1961 filed 110,000 shares of class A common stock (par 10 cents). **Price**—$3.75 per share. **Business**—The publishing of illustrated encyclopedic works, principally for children. **Proceeds**—For general corporate purposes. **Office**—170 Varick Street, New York City. **Underwriter**—N. A. Hart & Co., Bayside, N. Y.

Hathaway Instruments, Inc.
May 5, 1961 filed 351,280 shares of common stock, of which up to 90,000 shares are to be offered for public sale by the present holders thereof and the balance by the company. **Price**—At-the-market at time of sale. **Business**—The design, manufacture and sale of electric power recording instruments. **Office**—2401 E. Second Avenue, Denver, Colo. **Underwriters**—Bear, Stearns & Co. and Wertheim & Co., New York, N. Y.

Hickory Industries, Inc.
March 9, 1961 (letter of notification) 25,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—Manufacturers of barbecue machines and allied equipment. **Proceeds**—For general corporate purposes. **Office**—10-20 47th Road, Long Island City, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York, N. Y. **Offering**—Imminent.

Holiday Sportswear, Inc.
April 21, 1961 filed 86,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of specialized bowling apparel for men, women and children. **Proceeds**—For additional working capital. **Office**—311 West Eighth St., Kansas City, Mo. **Underwriter**—George K. Baum & Co., Kansas City, Mo. (managing).

★ **Home-Maker Stores, Inc.**
May 17, 1961 (letter of notification) 85,700 shares of common stock (par $2.50). **Price**—$3.50 per share. **Office**—2306 Foshay Tower, Minneapolis, Minn. **Underwriter**—M. H. Bishop & Co., Minneapolis, Minn.

Howe Plastics & Chemical Companies, Inc.
March 29, 1961 (letter of notification) 40,000 shares of common stock (par one cent). **Price**—At-the-market. **Business**—The manufacture of plastic items. **Proceeds**—For the repayment of debt; advertising and sales promotion; expansion and working capital. **Office**—4077 Park Avenue, Bronx 57, N. Y. **Underwriter**—J. I. Magaril Co., New York, N. Y.

★ **Hunt Foods & Industries Inc.**
May 23, 1961 filed $38,799,500 of convertible subordinated debentures due July 1, 1986, to be offered to the holders of the outstanding common on the basis of $100 principal amount of debentures for each 12 shares held. **Price**—To be supplied by amendment. **Proceeds**—For construction and working capital. **Office**—Fullerton, Calif. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

Hydro-Space Technology, Inc.
May 12, 1961 filed 300,000 shares of common stock, of which 155,000 shares are to be offered for public sale by the company and 145,000 outstanding shares by the present holders thereof. **Price**—$3 per share. **Business**—The design, engineering, production and sale of cartridge actuated devices, the evaluation of propulsion systems and propellants, and the production of buoyancy devices for underwater research and defense. **Proceeds**—For new equipment and facilities, the repayment of loans and working capital. **Office**—West Caldwell, N. J. **Underwriters**—Michael G. Kletz & Co., Inc., and John H. Kaplan & Co., both of New York City.

Hydroswift Corp.
Oct. 20, 1960 filed 70,000 shares of common stock. **Price**—$5 per share. **Business**—The firm, which was organized in February, 1957, makes and wholesales products and services for the fiberglass industry, including particularly fiberglass boats known as "HydroSwift" and "Skyliner." **Proceeds**—For general funds, including expansion. **Office**—1750 South 8th Street, Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

I C Inc.
June 29, 1960 filed 600,000 shares of com. stock (par $1) **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Building, Denver, Colo. **Underwriters**—Industrial Securities Corp. and Amos C. Sudler & Co., both of Denver, Colo. **Offering**—Expected in late July.

I T A Electronics Corp.
April 7, 1961 (letter of notification) 60,000 shares of common stock. **Price**—$5 per share. **Business**—Manufactures electronic equipment and components. **Proceeds**—For general corporate purposes. **Office**—Lansdown, Pa. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

● **Ihnen (Edward H.) & Son, Inc. (7/3)**
May 16, 1961 filed 75,000 shares of common stock. **Price**—$5 per share. **Business**—The construction of public and private swimming pools and the sale of pool equipment. **Proceeds**—To reduce indebtedness, to buy equipment, and for working capital. **Office**—Montvale, N. J. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

Illinois Bell Telephone Co. (5/29-6/30)
May 12, 1961 filed 4,190,652 shares of common capital stock to be offered for subscription by stockholders on the basis of one new share for each eight shares held of record May 29, with rights to expire on June 30. **Price**—At par ($20 per share). **Proceeds**—For the repayment of advances from A. T. & T., parent; property additions and improvements, and general corporate purposes. **Office**—212 W. Washington Blvd., Chicago, Ill. **Underwriter**—None.

Income Planning Corp. (6/5-9)
Dec. 29, 1960 (letter of notification) 5,000 shares of cumulative preferred stock (no par) and 10,000 shares of class A common stock (par 10 cents) to be offered in units consisting of one share of preferred and two shares of common. **Price**—$40 per unit. **Proceeds**—To open a new branch office, development of business and for working capital. **Office**—3300 W. Hamilton Boulevard, Allentown, Pa. **Underwriter**—Espy & Wanderer, Inc., Teaneck, N. J.

Income Properties, Inc. (6/12-16)
March 31, 1961 filed 150,000 shares of class A stock (par 50 cents). **Price**—$9.75 per share. **Business**—Formerly known as Price Investors Corp., the company owns and operates six apartment houses and plans to construct two more. **Proceeds**—To repay debt and for working capital. **Office**—1801 Dorchester Road, Brooklyn, N. Y. **Underwriter**—Eisele & King,, Lebaire, Stout & Co., New York City (managing).

Indiana & Michigan Electric Co. (5/31)
April 20, 1961 filed $20,000,000 of sinking fund debentures due 1986. **Proceeds**—For the prepayment of bank loans, and working capital. **Offices**—2101 Spy Run Ave., Fort Wayne, Ind., and 2 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.; First Boston Corp.; Harriman Ripley & Co., Inc. **Bids**—To be received on May 31 at 11:30 a.m. (DST). **Information Meeting**—Scheduled for May 26 at 3 p.m. (DST) at American Electric Power Service Corp., 2 Broadway (11th floor) New York City.

● **Industrial Control Products, Inc.**
March 10, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The engineering, designing and precision machining of electronic components. **Proceeds**—For research and development, inventory, equipment, start-up costs of semi-conductor production, and for working capital. **Office**—78 Clinton Rd., Caldwell Township, N. J. **Underwriter**—Edward Hindley & Co., New York City. **Offering**—Imminent.

Industrial Instrument Corp.
Feb. 27, 1961 filed 60,000 shares of 6% second series cumulative convertible preferred stock (par $10) to be offered for subscription by the holders of its outstanding common and first series preferred stock on the basis of one new share of preferred for each eight shares of common and one new share for each share of preferred held. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of instruments used to measure and control the flow, level, pressure and temperature of liquids and gases. **Proceeds**—To repay loans, buy new equipment and for working capital. **Office**—8400 Research Road, Austin, Texas. **Underwriter**—None.

Industrial Materials, Inc.
April 27, 1961 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The manufacture of a new patented fiber glass material to be used in rocket motor cases. **Proceeds**—For expenses, equipment and working capital. **Office**—1025 Shoreham Bldg., Washington, D. C. **Underwriter**—Atlantic Equities Co., Washington, D. C.

★ **Inland Life Insurance Co.**
May 18, 1961 filed 375,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The writing of non-participating ordinary life and group life insurance. **Proceeds**—For investment and general corporate purposes. **Office**—175 West Jackson Boulevard, Chicago, Ill. **Underwriter**—A. G. Becker & Co., Chicago (managing).

Intercontinental Motels, Ltd. (5/29)
March 28, 1961 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For acquiring Fleetwood Motel Corp. and working capital. **Office**—Towne House Motor Lodge, P. O. Box 1061, Martinsville, Va. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

★ **International Cablevision Corp.**
May 23, 1961 filed 164,850 shares of class A common stock. **Price**—$10 per share. **Proceeds**—For expansion, general corporate purposes, and to offset deficits anticipated during the commencement of certain Florida operations. **Office**—New York City. **Underwriter**—James Anthony & Co., Inc., New York City (managing).

International Flight Caterers, Inc.
May 1, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price**—$4 per share. **Proceeds**—For plant facilities, special food trucks and working capital. **Address**—Miami, Fla. **Underwriter**—Amber, Burstein & Co., Inc., 40 Exchange Place, New York, N. Y.

International Photocopy Corp.
Feb. 28, 1961 (letter of notification) 100,000 shares of common stock. **Price**—$3 per share. **Business**—Manufacturer and distributor of office photocopying equipment, chemicals and paper. **Proceeds**—For expansion and working capital. **Office**—564 W. Randolph St., Chicago, Ill. **Underwriter**—J. J. Krieger & Co., New York City.

● **International Silver Co. (6/30)**
May 16, 1961 filed $7,822,000 of convertible subordinated debentures due Aug. 1, 1981 to be offered for subscription by common stockholders on the basis of $100 of debentures for each 15 shares held of record June 30 with rights to expire about July 17. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of silverware, flatware and table accessories. **Proceeds**—For the retirement of such 7% cumulative preferred shares as are tendered to the company during a period commencing June 12. **Office**—16 East 40th Street, New York City. **Underwriter**—Lehman Brothers, New York City (managing).

● **Interstate Power Co.**
March 16, 1961 filed 202,333 shares of common stock being offered for subscription by common stockholders on the basis of one new share for each 16 shares held of record May 18, with rights to expire June 2. **Price**—$22 per share. **Proceeds**—To repay bank loans and for construction. **Offices**—1000 Main Street, Dubuque, Iowa, and 111 Broadway, New York City. **Underwriter**—Kidder, Peabody & Co., New York City (managing).

Invesco Collateral Corp.
March 6, 1961 filed $900,000 of 6% registered subordinated debentures to be offered in three series of $300,000 each, due June 30, 1965, 1966 and 1967, respectively. **Price**—$4,315; $4,190 and $4,079 per $5,000 of debentures. **Business**—The company, a wholly-owned subsidiary of Investors Funding Corp. of New York was organized under New York law in June, 1960, to purchase, invest in and sell real estate mortgages. **Proceeds**—For investment. **Office**—511 Fifth Avenue, New York City. **Underwriter**—None.

Investors Funding Corp. of New York
May 1, 1961 filed $2,000,000 of registered subordinated debentures due 1976 (with class A warrants to purchase 20,000 class A shares) and 40,000 shares of class A stock to be offered for public sale in units consisting of one $500 debenture and 10 class A shares. **Price**—$650 per unit. **Business**—The buying, selling and investing in real estate particularly apartment houses in the New York City area. **Proceeds**—For general corporate purposes. **Office**—630 Fifth Avenue, New York City. **Underwriter**—Eisele & King, Libaire, Stout & Co., New York City.

Investors Preferred Life Insurance Co. (6/1)
March 30, 1961 filed 400,000 shares of common stock. **Price**—$2.40 per share. **Business**—The company is authorized to sell life, accident and health insurance. **Proceeds**—To be added to capital and surplus. **Office**—310 Spring Street, Little Rock, Ark. **Underwriter**—Life Securities, Inc., P. O. Box 3662, Little Rock.

● **Irvington Steel & Iron Works (5/26)**
Feb. 13, 1961 (letter of notification) 150,000 shares of common stock (par 50 cents). **Price**—$2 per share. **Business**—Fabricators of structural steel. **Proceeds**—For general corporate purposes. **Office**—Somerset Street, New Brunswick, N. J. **Underwriter**—L. L. Fane & Co., Inc., Plainfield, N. J.

"Isras" Israel-Rassco Investment Co. Ltd.
March 27, 1961 filed 30,000 shares of ordinary stock. **Price**—$62 per share. The company may, but is not obligated to, accept payment in State of Israel bonds. **Proceeds**—For the construction of hotels, office buildings, housing projects and the like. **Office**—Tel Aviv, Israel. **Underwriter**—None.

Ivest Fund, Inc. (6/15)
Feb. 20, 1961 filed 150,000 shares of common stock. **Price**—Net asset value at the time of the offering. **Business**—A non-diversified, open-end investment company, whose stated objective is capital appreciation. **Proceeds**—For investment. **Office**—One State Street, Boston, Mass. **Underwriter**—Ivest, Inc., One State Street, Boston, Mass.

Jackson National Life Insurance Co.
April 11, 1961 filed 300,000 shares of class A common stock. **Price**—$4 per share. **Business**—The company plans to engage in the life insurance business. **Proceeds**—For capital funds, and working capital. **Office**—245 West Michigan Avenue, Jackson, Mich. **Underwriter**—Apex Investment Co., Detroit.

Jefferson Construction Co.
May 10, 1961 filed 340,000 shares of common stock, of which 110,000 shares are to be offered for public sale by the company and 230,000 outstanding shares by the present holders thereof. **Price**—$5.50 per share. **Business**—The company bids on government contracts for the erection of buildings, roads, dams, airstrips and canals and undertakes construction contracts for private commercial interests on a lump sum or a cost-plus-fixed-fee basis. **Proceeds**—For the purchase of equipment. **Office**—75 First St., Cambridge, Mass. **Underwriter**—Pistell, Crow, Inc., New York City.

Jefferson Counsel Corp.
March 13, 1961 filed 30,000 shares of class B common stock (non-voting). **Price**—$10 per share. **Business**—The company was organized under Delaware law in January 1961 to sponsor the organization of the Jefferson Growth Fund, Inc., a new open-end diversified investment company of the management type. **Proceeds**—For organiza-

tional and operating expenses. **Office**—52 Wall St., New York City. **Underwriter**—None. **Offering** — Expected about mid-June.

Jodmar Industries, Inc.
Feb. 24, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Design, lay-out, installation and maintenance of industrial heating and air-conditioning systems. **Proceeds**—For the purchase of inventory for current business; purchase of machinery, equipment and inventory for proposed manufacturing business; sales promotion and reserves. **Office**—8801-11 Farragut Road, Brooklyn 36, N. Y. **Underwriter**—Fontana Securities, Inc., 82 Beaver Street, New York, N. Y.

Jolyn Electronic Manufacturing Corp.
April 24, 1961 (letter of notification) 64,500 shares of common stock (par one cent). **Price** — $3 per share. **Business**—The manufacture of machine tool products, drift meters, sextants and related items. **Proceeds**—For repayment of a loan, working capital, and general corporate purposes. **Office**—Urban Avenue, Westbury, L. I., N. Y. **Underwriter**—Kerns, Bennett & Co., Inc., New York, N. Y.

Jordan (Edith), Inc.
May 1, 1961 (letter of notification) 32,488 shares of common stock (no par). **Price**—$7.50 per share. **Proceeds**—For a product line, inventory, and reserve credit. **Office**—524 Franklin Street, Fayetteville, N. C. **Underwriters**—Powell, Kistler & Co., Fayetteville, N. C.; French & Crawford, Inc., Atlanta, Ga.; Southeastern Securities Corp., Charlotte, N. C.; Clark, Landstreet & Kirkpatrick, Inc., Nashville, Tenn. and C. F. Cassell, Inc., Charlottesville, Va.

Julie Research Laboratories, Inc.
March 29, 1961 filed 100,000 outstanding shares of common stock to be offered for public sale by the present stockholder. **Price**—$10 per share. **Business**—Basic research and development leading to the design, manufacture and sale of precise electronic components and instruments. **Proceeds**—For the selling stockholder. **Office**—603 West 130th Street, New York City. **Underwriter**—C. E. Unterberg, Towbin Co., New York City (managing).

Jungle Juice Corp.
Oct. 28, 1960 (letter of notification) 120,000 shares of common stock (par 25 cents). **Price** — $2.50 per share. **Proceeds**—For working capital and expansion. **Address**—Seattle, Wash. **Underwriter**—Fidelity Investors Service, East Meadow, N. Y.

Kaiser Aluminum & Chemical Corp.
March 30, 1961 filed 61,169 outstanding shares of 4¾% cumulative convertible (1961 series) preference stock ($100 par) and 305,834 outstanding shares of common stock, to be offered for public sale by the holders thereof. **Price**—To be supplied by amendment. **Business**—The company is a producer of primary aluminum and aluminum products. **Proceeds**—For the selling stockholders. **Office** — 300 Lakeside Drive, Oakland, Calif. **Underwriter**—None.

★ **Kane-Miller Corp.**
May 17, 1961 filed 120,000 shares of common stock. **Price**—$5 per share. **Business**—The company is a wholesaler and distributor of grocery products to institutions, restaurants, steamship lines and the like. **Proceeds**—For inventory, and working capital. **Office** — 81 Clinton Street, Yonkers, N. Y. **Underwriters**—Netherlands Securities Co., Inc., and Seymour Blauner Co., both of New York City and J. J. Bruno & Co., Pittsburgh, Pa.

Kawecki Chemical Co.
March 23, 1961 filed $3,500,000 of 4⅞% convertible subordinated debentures, due 1976, and 17,282 shares of common stock (par 25 cents), issuable upon the exercise of warrants. The debentures are being offered for subscription by stockholders on the basis of $100 principal amount of debentures for each 15 shares held of record May 10 with rights expiring May 24. **Price**—At par. **Business** — The research and pilot plant production of rare metals. **Proceeds**—To repay debt and for working capital. **Office**—Boyertown, Pa. **Underwriter**—Carl M. Loeb, Rhoades & Co., New York City (managing).

● **King Kullen Grocery Co., Inc. (5/31)**
March 28, 1961 filed 180,000 shares of class A stock, of which 50,000 shares are to be offered for public sale by the company and 130,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The operation of a chain of self-service food stores in the Long Island, N. Y., area. **Proceeds**—For the construction and equipping of a new warehouse and office. **Office** — 178-02 Liberty Ave., Jamaica, N. Y. **Underwriters**—Hemphill, Noyes & Co., and Estabrook & Co., New York City (managing).

Kings Electronics Co., Inc.
Jan. 27, 1961 filed 295,187 shares of common stock, of which 250,000 are to be offered for public sale by the company and 45,187 shares, being outstanding stock, by the present holders thereof. **Price**—$4 per share for the new stock. The outstanding shares will be offered at the prevailing market price on the over-the-counter market or on any securities exchange upon which they may be listed at any time after 60 days from the date of the company's offering. **Business**—The company is engaged principally in the design, development and manufacture of radio frequency connectors. **Proceeds**—For expansion, the repayment of loans and for working capital. **Office**—40 Marbledale Road, Tuckahoe, N. Y. **Underwriter**—Ross, Lyon & Co., Inc., New York City (managing).

Knickerbocker Biologicals, Inc.
Dec. 23, 1960, filed 100,000 outstanding shares of class A stock. **Price**—$6 per share. **Business**—The manufacture, packaging and distribution of a line of diagnostic serums and cells used for the purpose of blood grouping and testing. The company also operates blood donor centers in New York and Philadelphia. **Proceeds**—For the selling stockholders. **Office**—300 West 43rd Street, New York City. **Underwriter**—None.

Kreisler (Charles), Inc.
Feb. 27, 1961 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Business**—Sale and rental of automobiles. **Proceeds**—Acquisition of cars for rental purposes; acquisition of additional salesroom; advertising and sales promotion and for working capital. **Office**—241 Park Avenue, New York, N. Y. **Underwriter**—Albion Securities Co., Inc., New York, N. Y.

Krystinel Corp.
April 12, 1961 filed 90,000 shares of class A stock. **Price**—$2.50 per share. **Business**—The company produces ferrites, which are ceramic-like materials with magnetic properties, and conducts a research and development program for ferrite products. **Proceeds**—For the repayment of a loan, research and development, new equipment and working capital. **Office**—P. O. Box 6, Fox Island Road, Port Chester, N. Y. **Underwriters**—Ross, Lyon & Co., Inc., and Schrijver & Co., both of New York City.

Lafayette Realty Co.
April 28, 1961 filed 129.3 limited partnership interests. **Price**—$5,000 per interest. **Business**—The partnership owns a contract to purchase the fee title to the Lafayette Building in Detroit, Mich. **Proceeds**—To purchase the above property. **Office**—18 E. 41st Street, New York City. **Underwriter**—Tenney Securities Corp., 18 E. 41st Street, New York City.

Lamtron Industries, Inc.
May 3, 1961 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Proceeds**—For equipment, inventory, and working capital. **Office**—1425 Northwest Miami Court, Miami, Fla. **Underwriter**—Lewis Wolf, Inc., New York, N. Y.

Lannett Co., Inc.
April 7, 1961 (letter of notification) 150,000 shares of common stock. **Price**—$2 per share. **Business**—The manufacture and sale of pharmaceuticals. **Proceeds**—For a new building, research and development, and a sales training program. **Office**—Frankford Ave., and Allen St., Philadelphia, Pa. **Underwriter** — Netherlands Securities Co., Inc., New York City.

● **Lanvin-Parfums, Inc.**
May 17, 1961 filed 440,000 shares of common stock. **Price**—To be supplied by amendment. **Business** — The importation and distribution in the U. S. of French perfumes. **Proceeds**—To E. L. Cournand, the issuer's president, selling stockholder. **Office** — 767 5th Ave., New York City. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

"Lapidoth" Israel Oil Prospectors Corp. Ltd.
Oct. 27, 1960 filed 1,500,000 ordinary shares. **Price**—To be supplied by amendment, and to be payable either totally or partially in Israel bonds. **Business**—The company was organized in October 1959 as a consolidation of individual and corporate licensees who had been operating in the oil business as a joint venture. **Proceeds**—For exploration and development of oil lands. **Office**—22 Rothschild Blvd., Tel-Aviv, Israel. **Underwriter**—None.

★ **Lewis & Clark Marina, Inc.**
May 9, 1961 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Address**—Yankton, S. D. **Underwriter**—E. W. Behrens & Co., Inc., Sioux Falls, S. D.

Lincoln Fund, Inc.
March 30, 1961 filed 951,799 shares of common stock. **Price** — Net asset value plus a 7% selling commission. **Business** — A non-diversified, open-end, management-type investment company whose primary investment objective is capital appreciation and, secondary, income derived from the sale of put and call options. **Proceeds**—For investment. **Office**—300 Main St., New Britain, Conn. **Distributor**—Horizon Management Corp., New Britain.

Lindy Hydrothermal Products, Inc.
March 30, 1961 filed 65,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The design, manufacture, distribution and sale of heat exchange products and custom tanks for the storage of water, chemicals and other liquids. **Proceeds**—For new equipment, plant relocation, product development and repayment of debt. **Office**—2370 Hoffman Street, New York City. **Underwriter**—Bond, Richman & Co., New York City.

★ **Lithonia Lighting, Inc.**
May 23, 1961 filed 226,000 shares of common stock of which 136,000 shares are to be sold for the account of the company and 90,000 shares for certain selling stockholders. **Price**—To be supplied by amendment. **Business**—The manufacture of fluorescent lighting fixtures for commercial, institutional and industrial buildings. **Office**—Conyers, Ga. **Underwriters**—Bache & Co., New York City and Robinson-Humphrey Co., Inc., Atlanta, Ga.

● **Lorillard (P.) Co. (6/7)**
May 11, 1961 filed $40,000,000 of sinking fund debentures due June 1, 1986. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of cigarettes, chewing tobacco and little cigars. **Proceeds**—For the repayment of bank loans. **Office**—200 East 42nd St., New York City. **Underwriters**—Lehman Brothers and Smith, Barney & Co., both of New York City.

Lytton Financial Corp. (6/15)
March 30, 1961 filed 300,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company owns the stocks of several California savings and loan associations. It also operates an insurance agency, and through a subsidiary, Title Acceptance Corp., acts as trustee under trust deeds securing loans made by the associations. **Proceeds**—To repay loans and for working capital. **Office** — 8150 Sunset Boulevard, Hollywood, Calif. **Underwriters**—William R. Staats & Co., Los Angeles and Shearson, Hammill & Co., New York City (managing).

M & F Graphic Arts & Industrial Photographic Supply Co.
May 1, 1961 filed 80,000 shares of class A common stock, of which 60,000 shares are to be offered for the account of the issuing company and 20,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The distribution of photographic supplies to amateur and professional photographers. **Proceeds**—For working capital and general corporate purposes. **Office**—220 Luckie St., N. W., Atlanta, Ga. **Underwriter** — Robinson-Humphrey Co., Inc., Atlanta, Ga. (managing).

● **(E. F.) Mac Donald Co. (6/1)**
April 11, 1961 filed 275,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The creation and administration of incentive campaigns designed to achieve the sales objectives of its customers. **Proceeds**—For the selling stockholders. **Office**—120 So. Ludlow St., Dayton, Ohio. **Underwriters**—Smith, Barney & Co., Inc., New York City and Merrill, Turben & Co., Inc., Cleveland, Ohio (managing).

MacGregor Bowling Centers, Inc.
May 3, 1961 filed 120,000 shares of common stock, of which 100,000 will be offered for public sale by the company and 20,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To repay loans and for working capital. **Office**—5309 South Park Blvd., Houston, Tex. **Underwriters**—Rowles, Winston & Co., and Fridley & Frederking, Houston.

Mages Sporting Goods Co.
May 1, 1961 filed 1,029,961 shares of common stock to be offered for subscription by stockholders on the basis of one new share for each two common shares held. **Price**—To be supplied by amendment. **Business**—The mail order and retail sale of sporting goods and recreational equipment. **Proceeds**—For the repayment of debt and other corporate purposes. **Office** — 227 West Madison Street, Chicago, Ill. **Underwriter**—None.

● **Magnefax Corp. (5/26)**
April 10, 1961 filed 200,000 shares of no par common stock. **Price**—$5 per share. **Business**—The company plans to distribute desk-top copy machines and supplies. **Proceeds**—For new equipment, leasing office space, salaries, advertising, and other corporate purposes. **Office**—1228 Commercial Trust Bldg., Philadelphia, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia (managing).

Marcon Electronics Corp.
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par $1). **Price** — $10 per share. **Business** — Manufacture of electrical and electronic equipment. **Proceeds**—For purchase of equipment and tooling, research and development and working capital. **Office**—199 Devon Terrace, Kearny, N. J. **Underwriter**—Meade & Co., New York, N. Y. **Offering**—Imminent.

Marine & Electronics Manufacturing Inc.
Sept. 22, 1960 (letter of notification) 75,000 shares of common stock. **Price**—$4 per share. **Proceeds**—For expenses in the fabrication of sheet metal parts for missiles, rockets, radar and marine items. **Address** — 319 W. Howard St., Hagerstown, Md. **Underwriter**—Lecluse & Co., Washington, D. C. **Offering**—Expected in early June.

Marine Structures Corp.
Feb. 1, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—To purchase raw materials, advertising and for working capital. **Office**—204 E. Washington St., Petaluma, Calif. **Underwriter**—Grant, Fontaine & Co., Oakland, Calif. **Offering**—Expected in early June.

Marrud, Inc. (6/15)
April 12, 1961 filed 194,750 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 94,750 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The wholesale distribution of cosmetics, beauty aids, health aids and related products. **Office**—189 Dean St., Norwood, Mass. **Underwriter**—McDonnell & Co., New York City.

Massachusetts Electric Co. (6/27)
April 24, 1961 filed $17,500,000 of first mortgage bonds, series F, due 1991. **Proceeds** — For the repayment of debt and for construction. **Office** — 939 Southbridge Street, Worcester, Mass. **Underwriters**—To be determined by competitive bidding. **Probable bidders**: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and Coffin & Burr, Inc. **Bids**—To be received on June 27, 1961.

Mecanair Corp.
April 17, 1961 (letter of notification) 60,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To purchase equipment and for working capital. **Office**—120 Union Ave., Sudbury, Mass. **Underwriter** — Old Colony Securities Corp., Stoneham, Mass.

Metropolis Bowling Centers, Inc.
May 1, 1961 filed 198,000 shares of common stock, of which 120,000 shares are to be offered for public sale by the company and 78,000 outstanding shares by the present holders thereof. **Price**—About $5 per share. **Business**—The acquisition and operation of bowling centers, principally in New York City. **Proceeds**—To improve existing properties and acquire other bowling centers. **Office**

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—647 Fulton Street, Brooklyn, N. Y. **Underwriters**—Russell & Saxe, Inc., (managing); Thomas, Lee & Williams, Inc., and V. S. Wickett & Co., New York City. **Offering**—Expected in mid-June.

Metropolitan Securities, Inc.
Nov. 17, 1960 (letter of notification) 100,000 shares of class A common stock (par $1). Price—$3 per share. Proceeds — For working capital. Office — 919-18th St., N. W., Washington, D. C. Underwriter — Metropolitan Brokers, Inc., Washington, D. C.

Michigan Wisconsin Pipe Line Co. (6/14)
April 21, 1961 filed $30,000,000 of first mortgage pipe line bonds, due 1981. **Proceeds**—For construction. **Office**—500 Griswold St., Detroit, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc. **Bids**—To be received on June 14 at 11 a.m. (DST) in Suite 4950, 30 Rockefeller Plaza, New York City.

Micro Electronics Corp. (6/5-9)
March 31, 1961 filed 100,000 shares of common stock. **Price** — $4 per share. **Business** — The manufacture of printed circuits for the electronics industry. **Proceeds**—$124,000 for new plant, $76,000 for equipment, and $110,000 for working capital. **Office**—1191 Stout St., Denver, Colo. **Underwriter**—R. Baruch & Co., Washington, D. C. (managing).

Microtron Industries, Inc.
March 1, 1961 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price** — $1 per share. **Proceeds** — For purchase of equipment; inventory of parts; working capital; and research and development. **Office** — 120 S. Fairfax, Denver, Colo. **Underwriter** — Amos C. Sudler & Co., Denver, Colo.

Microwave Semiconductor & Instruments Inc.
May 12, 1961 filed 120,000 shares of common stock. **Price**—$3 per share. **Business**—The research, development, manufacture and sale of microwave devices and instruments. **Proceeds**—For additional equipment, research, inventory and working capital. **Office** — 116-06 Myrtle Avenue, Richmond Hill, N. Y. **Underwriter** — First Investment Planning Co., Washington, D. C.

Midwestern Acceptance Corp.
Sept. 8, 1960, filed 1,169,470 shares of common stock and $994,050 of 6% debentures, to be offered for public sale in units of one share of stock and 85 cents of debentures. **Price** — $1 per unit. **Business** — The company will do interim financing in the home building industry. **Proceeds**—To start its lending activities. **Address**—P. O. Box 886, Rapid City, S. D. **Underwriter**—None.

● Minnesota Scientific Corp.
March 24, 1961 filed 1,500,000 shares of common stock. **Price**—$1.15 per share. **Business**—The company is licensed under the Small Business Investment Act of 1958 and is registered with the SEC as a non-diversified, closed-end, management investment company, which will invest in the fields of electronics, physics and chemistry. **Proceeds**—For investment and operating expenses. **Office** — First National Bank Building, Minneapolis, Minn. **Underwriter—Bratter & Co., Inc.**, Minneapolis, Minn. **Note**—This company was formerly named National Scientific Corp.

Miratel Electronics, Inc.
May 1, 1961 (letter of notification) 100,000 shares of common stock (par 30 cents). **Price**—$3 per share. **Proceeds**—To repay notes, for research and development, equipment and working capital. **Office**—1st St., Southeast & Richardson St., New Brighton, Minn. **Underwriter**—None.

Missile Sites, Inc.
March 30, 1961 filed 291,000 shares of common stock. Price—$5 per share. Business—A prime contractor with governmental agencies for the building of missile and radar sites and other specialized facilities. Proceeds—For working capital. Office—11308 Grandview Ave., Wheaton, Md. Underwriter—Balogh & Co., Inc., Washington, D. C.

Missile-Tronics Corp.
May 8, 1961 (letter of notification) 151,900 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Business**—The manufacturers of technical equipment. **Proceeds** — For payment of loans; machinery and office equipment; reduction of current liabilities; research and development and working capital. **Office**—245 4th St., Passaic, N. J. **Underwriter** — Hopkins, Calamari & Co., Inc., 26 Broadway, New York, N. Y.

Missouri Edison Co. (6/12)
May 1, 1961 filed $2,000,000 of first mortgage bonds, series C. The company is a subsidiary of Union Electric Co. Proceeds—For the repayment of loans and for expansion. Office—123½ North Fourth Street, Louisiana, Mo. Underwriter — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly), Salomon Brothers & Hutzler. Bids—To be received on June 12 at 11 a.m. (DST) in Room 1900, 60 Broadway, New York City. Information Meeting—Scheduled to be held June 6, at 11 a.m. (DST) second floor, Bankers Trust Co., 16 Wall St., New York City.

Model Vending, Inc.
April 27, 1961 filed 150,000 shares of common stock. Price—To be supplied by amendment. Business—The operation of vending machines for the retail sale of cigarettes, candy and a variety of other food and drink products. The company also operates coin-type phonograph machines and amusement devices. Proceeds — For new equipment, modernization of accounting procedures, and general corporate purposes. Office—4830 N. Front Street, Philadelphia, Pa. Underwriter—Milton D. Blauner & Co., Inc., New York City (managing), Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia, Pa., and M. L. Lee & Co., Inc., New York City. **Offering**—Expected about mid-June.

Modern Homes Construction Co.
May 10, 1961 filed $5,500,000 of subordinated debentures due June 15, 1981 and 550,000 shares of common stock to be offered for public sale in 275,000 units, each unit consisting of $20 principal amount of debentures and two common shares. **Price**—To be supplied by amendment. **Business**—The construction, financing and sale of shell homes principally in the southern and southwestern portions of the U. S. **Proceeds**—To finance the sale of additional shell homes. **Office**—P. O. Box 1331, Valdosta, Ga. **Underwriter**—Harriman Ripley & Co., New York City (managing).

Moderncraft Towel Dispenser Co., Inc.
March 30, 1961 filed 80,000 shares of common stock, of which 73,750 shares are to be offered for public sale by the company and 6,250 outstanding shares by the underwriter. **Price**—$4 per share. **Business**—The manufacture and sale of an improved towel dispensing cabinet. **Proceeds**—For advertising, research and development, payment of debt, and working capital. **Office** — 20 Main Street, Belleville, N. J. **Underwriter**—Vickers, Christy & Co., Inc., New York City.

Mohawk Insurance Co. (6/1)
Aug. 8, 1960, filed 75,000 shares of class A common stock Price—$12 per share. Proceeds—For general funds. Office—198 Broadway, New York City. Underwriter—R. F Dowd & Co., Inc., 39 Broadway, New York 6, N. Y

Mokan Small Business Investment Corp., Inc.
Jan. 17, 1961 filed 3,000 shares of common stock. **Price**—$100 per share. **Business**—The company was organized under Kansas law in October 1960 and is applying to the Small Business Administration for a Federal license to operate as a small business investment company. **Proceeds**—For general corporate purposes. **Office** — 719 Walnut St., Coffeyville, Kan. **Underwriter**—None.

Monticello Lumber & Mfg. Co., Inc.
April 11, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The sale of lumber, building supplies and hardware. **Proceeds**—To repay loans and for working capital. **Address**—Monticello, N. Y. **Underwriter**—J. Laurence & Co., Inc., New York, N. Y.

Morris Shell Homes, Inc.
May 1, 1961 filed $3,000,000 of 8% subordinated debentures due July 1, 1986; 150,000 shares of common stock; 150,000 first warrants and 150,000 second warrants, to be offered for public sale in units, each consisting of one $20 debenture, one common share, one first warrant and one second warrant. **Price** — To be supplied by amendment. **Business** — The construction and sale of shell homes. **Office** — 505 Morgan Street, Knoxville, Tenn. **Underwriter**—Johnson, Lane, Space Corp., Savannah (managing).

Mortgage Guaranty Insurance Co.
Oct. 17, 1960 filed 155,000 shares of common stock (par $1). Price—To be supplied by amendment. Business—Insuring lenders against loss on residential first mortgage loans, principally on single family non-farm homes. Proceeds—For capital and surplus. Office—606 West Wisconsin Avenue, Milwaukee, Wis. Underwriter—Bache & Co., New York City (managing). Note—This stock is not qualified for sale in New York State. Offering—Expected in June.

Motor Travel Services, Inc.
May 2, 1961 (letter of notification) 260,000 shares of common stock (par 25 cents). **Price**—$1.15 per share. **Proceeds**—For an advertising program and working capital. **Office** — 1521 Hennepin Avenue, Minneapolis, Minn. **Underwriter**—Bratter & Co., Inc., Minneapolis, Minn.

★ Mt. Tom Ski Area, Inc.
May 17, 1961 (letter of notification) 2,000 shares of preferred stock. **Price**—At par ($100 per share). **Office**—480 Hampden St., Holyoke, Mass. **Underwriter**—None.

Municipal Investment Trust Fund, Series B
April 28, 1961 filed $12,750,000 (12,500 units) of interests. **Price** — To be supplied by amendment. **Business** — The fund will invest in tax-exempt bonds of states, counties, municipalities and territories of the U. S. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Offering**—Expected in mid-June.

Municipal Investment Trust Fund, First Pa. Series
April 28, 1961 filed $6,375,000 (6,250 units) of interests. Price—To be supplied by amendment. Business—The fund will invest in tax-exempt bonds of the Commonwealth of Pennsylvania and its political sub-divisions. Proceeds—For investment. Sponsor—Ira Haupt & Co., 111 Broadway, New York City. Offering—Expected in mid-June.

Nash (J. M.) Co., Inc.
March 30, 1961 filed $1,000,000 of series A subordinated debentures, due July 1, 1981 and $1,000,000 of series B convertible subordinated debentures, due July 1, 1981. **Price**—To be supplied by amendment. **Business**—The manufacture of a variety of industrial products including woodworking and packaging equipment, power saws, auxiliary power plants, centrifugal pumps, inboard marine engines and a line of leisure time and sporting goods merchandise. **Proceeds**—To retire on or about Oct. 1, 1961 all outstanding 7½% convertible debentures; to repay bank loans, and for other corporate purposes. **Office**—208 Wisconsin Avenue, Milwaukee, Wis. **Underwriter**—Robert W. Baird & Co., Milwaukee (managing).

Nat Nast, Inc.
April 18, 1961 filed 150,000 shares of class A common stock. **Price**—$4 per share. **Business**—The manufacture and distribution of bowling apparel. **Proceeds** — For working capital, construction, and funds estimated at $125,000 to stock such items as bowling clothes and accessories, gym clothing, etc. **Office**—816 Central, Kansas City, Mo. **Underwriter**—Hardy & Co., New York City (managing).

● National Bagasse Products Corp. (5/31)
March 14, 1961 filed 16,200 units, each unit consisting of $100 of 15-year 7% subordinated debentures, 30 shares of class A common and 10 warrants (to buy a like number of class A shares). Price — $163.85 per unit. Business — Manufactures composition board, hard board and insulating board from bagasse, a waste product of sugar refining. Proceeds — To build a new plant at Vacherie, La. Office—821 Gravier St., New Orleans, La. Underwriters—S. D. Fuller & Co., New York City, and Howard, Weil, Labouisse, Friedrichs & Co., New Orleans (managing).

● National Mercantile Corp. (6/5-9)
March 29, 1961 filed 100,000 shares of common stock and five-year warrants to purchase an additional 20,000 common shares, to be offered for public sale in units consisting of one common share and one-fifth of a warrant. **Price**—To be supplied by amendment. **Business**—The distribution and retail sale of phonograph records. **Proceeds**—For the repayment of loans and for working capital. To expand retail operations. **Office**—1905 Kerrigan Avenue, Union City, N. J. **Underwriter**—A. T. Brod & Co., New York City (managing).

National Radiac, Inc.
April 24, 1961 (letter of notification) 75,000 shares of common stock (no par). **Price**—$4 per share. **Business**—The manufacture of organic and inorganic scintillators for the detection and measurement of ionizing radiation. The company also produces the high quality crystals which serve as integral components of the detection instruments. **Proceeds** — For working capital and general corporate purposes. **Address** — Newark, N. J. **Underwriter**—Hardy & Hardy, New York, N. Y.

National Semiconductor Corp.
May 11, 1961 filed 75,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The design, development, manufacture and sale of quality transistors for military and industrial use. **Proceeds** — For new equipment, plant expansion, working capital, and other corporate purposes. **Office**—Mallory Plaza Bldg., Danbury, Conn. **Underwriters** — Lee Higginson Corp., New York City and Piper, Jaffray & Hopwood, Minneapolis (managing).

● New Era Mining Co.
April 6, 1961 filed 1,000,000 shares of common stock (par 25 cents). **Price** — 50 cents per share. **Business** — The company plans to operate two gold placer claims in the Black Hills of South Dakota. **Proceeds**—To repay debt, purchase equipment and for working capital. **Office**—9635 West Colfax Avenue, Denver, Colo. **Underwriter**—None. **Note**—This registration was withdrawn May 18.

New Orleans Public Service, Inc. (5/25)
April 13, 1961 filed $15,000,000 of first mortgage bonds, due 1991. **Proceeds** — For construction and the repayment of debt. **Office**—317 Baronne Street, New Orleans, La. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lee Higginson Corp.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly); Kidder, Peabody & Co. and Stone & Webster Securities Corp. (jointly); White, Weld & Co.; Salomon Brothers & Hutzler. **Bids**—To be received on May 25 at 11:30 a.m. (DST).

★ New York Trap Rock Corp.
May 19, 1961 filed 175,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The quarrying, processing and marketing of crushed stone. **Proceeds**—For expansion. **Office**—162 Old Mill Road, West Nyack, N. Y. **Underwriter**—Smith, Barney & Co., New York City (managing).

Nissen Trampoline Co.
May 4, 1961 (letter of notification) 9,400 shares of common stock (par $1). **Price**—At the market. **Proceeds**—For the selling stockholders. **Office**—930 27th Ave., S.W., Cedar Rapids, Iowa. **Underwriter** — Yates, Heitner & Woods, St. Louis, Mo.

★ Nitrogen Oil Well Service Co.
May 22, 1961 filed 100,000 shares of common stock. **Prices**—$10 per share for 51,000 shares to be offered to Big Three Welding Company; $10 per share for not less than 24,500 shares to be offered to holders (other than Big Three) of the outstanding common on the basis of one new share for each 1⅓ shares held; and $10.60 per any unsubscribed shares. **Proceeds**—For general corporate purposes, including $880,000 for the purchase of 20 additional liquid nitrogen high pressure pumping units. **Office** — Houston, Texas. **Underwriter** — Underwood, Neuhaus & Co., Inc., Houston, Texas.

North American Vending Manufacturing Corp. (5/31)
April 19, 1961 (letter of notification) 55,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The production of ice cube manufacturing and vending machines. **Proceeds**—For equipment; development of distributors, advertising and research and development. **Office**—110 Jericho Turnpike, Floral Park, N. Y. **Underwriter**—Ezra Kureen Co., New York, N. Y.

North Electric Co.
March 30, 1961 filed 22,415 shares of common stock to be offered for subscription by stockholders of record May 15. **Price**—To be supplied by amendment. **Business**—This subsidiary of L. M. Ericsson Telephone Co. of Stockholm, Sweden, manufactures telecommunications equipment, remote control systems, electromechanical

and electronic components, and power supply assemblies. **Proceeds**—To repay loans and for working capital. **Office**—553 South Market Street, Galion, Ohio. **Underwriter**—None.

★ Northern Illinois Gas Co. (6/22-7/11)
May 24, 1961 filed 450,037 shares of common stock to be offered for subscription by stockholders on the basis of one new share for each 16 shares held of record June 22, with rights to expire July 11. **Price**—To be supplied by amendment. **Proceeds** — For construction. **Office** — 615 Eastern Avenue Bellwood, Ill. **Underwriters**—First Boston Corp., and Glore, Forgan & Co., both of New York City.

★ Oceanarium, Inc.
May 22, 1961 filed 125,000 shares of common stock, of which 62,500 shares are to be offered for public sale by the company and 62,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company operates "Marineland of the Pacific," an exhibition of fish and trained aquatic animals, near Los Angeles, Calif. **Proceeds**—For working capital. **Office**—Marineland, Los Angeles County, Calif. **Underwriter**—Blyth & Co., Inc., New York City.

Ohio-Franklin Fund, Inc.
Feb. 3, 1961 filed 2,000,000 shares of common stock to be offered to investors through a tax-free exchange of shares for securities of a selected list of companies. **Exchange Price**—Net asset value (expected to be $10 per share). **Business**—A new fund which provides a medium through which holders of blocks of securities may obtain diversification and continuous professional investment management without incurring Federal capital gains tax liability upon the exchange. **Proceeds**—For investment. **Office**—51 North High Street, Columbus, Ohio. **Distributor**—The Ohio Co., Columbus, Ohio.

★ Oil & Gas Lands, Inc.
May 16, 1961 (letter of notification) 280,000 shares of common stock. **Price**—At par ($1 per share). **Office**—Petroleum Bldg., Grand Junction, Colo. **Underwriter**—None.

Old Empire, Inc.
May 1, 1961 filed $700,000 of convertible subordinated debentures due 1971. **Price** — At par. **Business** — The manufacture, packaging and distribution of cosmetics, pharmaceuticals and household, chemical and industrial specialties. **Proceeds**—For the repayment of bank loans, property improvements and working capital. **Office**—865 Mt. Prospect Avenue, Newark, N. J. **Underwriter**—Laird, Bissell & Meeds, Wilmington, Del.

Olson Co. of Sarasota, Inc.
April 26, 1961 (letter of notification) 50,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—To repay loans, purchase equipment and raw materials and for working capital. **Address**—P. O. Box 2430, Sarasota, Fla. **Underwriter**—None.

One Maiden Lane Fund, Inc.
April 7, 1961 filed 300,000 shares of common stock. **Price**—$3 per share. **Business**—This is a new mutual fund which will hold only convertible debentures and U. S. Treasury bonds. **Proceeds**—For investment. **Office**—One Maiden Lane, New York City. **Underwriter**—G. F. Nicholls & Co., Inc., New York City. **Offering** — Expected about mid-June.

Ormont Drug & Chemical Co., Inc.
May 2, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—Manufacturers of drugs. **Proceeds**—For expansion, and working capital. **Office**—38-01 23rd Ave., Long Island City, N. Y. **Underwriter**—Havener Securities Corp., New York, N. Y.

★ Pacific Mining Corp.
May 16, 1961 (letter of notification) 290,000 shares of common stock. **Price**—At par ($1 per share). **Office**—14607 Blythe St., Van Nuys, Calif. **Underwriter**—None.

• Panacolor, Inc. (6/5)
Feb. 24, 1961 filed 200,000 shares of common stock (par 20 cents). **Price**—$4 per share. **Business**—The company plans to engage in the business of developing and printing color film primarily for the motion picture and television industries. **Proceeds**—For the construction of two machines to print color film by the Panacolor Process; for sales promotion, market development and officers' salaries; for mortgage and interest payments; and for working capital. **Office**—6660 Santa Monica Blvd., Hollywood, Calif. **Underwriter** — Federman, Stonehill & Co., New York City (managing).

★ Pan American Resources, Inc.
May 11, 1961 (letter of notification) 40,000 shares of common stock (par $1). **Price**—$7 per share. **Office**—600 Glendale Federal Bldg., Glendale 3, Calif. **Underwriter**—Fred Martin & Co., 1101 Woodland Dr., Norman, Okla.

Pantex Manufacturing Corp.
Dec. 27, 1960 filed 513,299 shares of capital stock, of which 307,222 shares are to be offered for the account of the issuing company and 206,077 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. The stock being offered for the company is a rights offering; one new share will be offered for each three capital shares held. **Price**—To be supplied by amendment. **Proceeds**—For the purchase of 200,000 shares of Tel-A-Sign, Inc. for $450,000, said shares to be distributed as a dividend to shareholders, with the balance for general corporate purposes, including working capital. **Office**—Central Falls, R. I. **Underwriter**—None. **Note**—This statement is expected to be withdrawn and then refiled.

Peninsula Publishing & Printing Corp.
April 27, 1961 (letter of notification) 57,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—Newspaper publishers. **Proceeds**—For sales promotion; construction of a storage building; repayment of a loan and working capital. **Office** — 379 Central Ave., Lawrence, L. I., N. Y. **Underwriter**—Arnold, Wilkens & Co., New York, N. Y.

Pennsylvania Electric Co. (6/5)
March 28, 1961 filed $12,000,000 of debentures, due 1986. **Office**—222 Levergood Street, Johnstown, Pa. **Underwriters**—To be determined by competitive bidding. The company has never before issued debentures. However, the following underwriters bid on the last issue of bonds: Blyth & Co., Inc., and Harriman Ripley & Co. (jointly); First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. **Bids**—To be received at 80 Pine Street, 37th floor, on June 5 at noon (DST). **Information Meeting**—To be held at the above address on June 2 at 10 a.m. (DST).

• Pennsylvania & Southern Gas Co.
March 30, 1961 filed $600,000 of 5½% convertible debentures due June 1, 1981 to be offered for subscription by common stockholders on the basis of one $100 debenture for each 10 shares held of record May 18 with rights to expire May 31. **Price** — At 100% of principal amount. **Proceeds** — To redeem all outstanding 6½% preferred stock, series A, B and C, and for construction. **Office**—137 West Lockhart St., Sayre, Pa. **Underwriter**—None.

Perini Corp.
March 30, 1961 filed 1,451,998 shares of common stock (par $1), of which 1,350,000 are to be offered for public sale by the company, and 101,998 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company is engaged in the construction and general contracting business in the U. S. and Canada and recently entered the real estate development field. In addition it will control and operate the National League Baseball Club of Milwaukee, Inc. **Proceeds**—To repay loans and for general corporate purposes. **Office** — 73 Mt. Wayte Ave., Framingham, Mass. **Underwriters**—F. S. Moseley & Co., Boston, Mass., and Paine, Webber, Jackson & Curtis, New York City.

• Permian Corp. (6/12-16)
April 28, 1961 filed 285,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The marketing of crude oil. **Proceeds**—For general corporate purposes. **Office** — 611 West Texas Street, Midland, Texas. **Underwriters**—Lehman Brothers and Shearson, Hammill & Co., both of New York City (managing).

Photronics Corp. (6/15)
Feb. 24, 1961 filed 150,000 shares of common stock (par 10 cents), to be offered for subscription by stockholders on the basis of three new shares for each four shares held. **Price**—To be supplied by amendment. **Business**—The design, development and manufacture of optical and electro-optical systems and components used in aerial reconnaissance, photo-interpretation, photo-grammetry and optical scanning devices. **Proceeds** — For working capital, research and development, and new equipment. **Office**—134-08 36th Road, Flushing, N. Y. **Underwriter**—L. D. Sherman & Co., New York City.

★ Pickwick Organization, Inc.
May 23, 1961 filed 110,000 shares of common stock. **Price**—$5 per share. **Proceeds**—Net proceeds, estimated at $444,000, will be used to buy land for shell homes construction and to start building the homes ($175,000), to repay a bank note ($65,000), with the balance for working capital. **Office**—Huntington Station, New York. **Underwriters** — Theodore Arrin & Co., Inc., Katzenberg, Sour & Co., and Underhill Securities Corp., all of New York City.

Pickwick Recreation Center, Inc.
April 21, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To pay for construction, working capital and, general corporate purposes. **Office**—921-1001 Riverside Drive, Burbank, Calif. **Underwriter**—Fairman & Co., Los Angeles, Calif.

Pilgrim Helicopter Services, Inc.
April 25, 1961 (letter of notification) 16,000 shares of common stock (par $1). **Price**—$5.50 per share. **Proceeds**—For general corporate purposes. **Office** — Investment Bldg., Washington, D. C. **Underwriter** — Sade & Co., Washington, D. C.

Plasticon Corp.
May 8, 1961 filed 665,666 shares of common stock, of which 90,666 shares are to be publicly offered, 25,000 shares are to be offered to Leyghton-Paige Corp., 150,000 shares are to be offered to Leyghton-Paige stockholders on the basis of one Plasticon share for each three Leyghton-Paige shares held, and 400,000 shares are to be offered to holders of the company's $1,200,000 of 5% promissory notes. **Price** — $3 per share, in all cases. **Business**—The manufacture of large plastic containers. **Proceeds**—To discharge the indebtedness represented by Plasticon's 5% promissory notes, with the balance for more equipment and facilities. **Office** — Minneapolis, Minn. **Underwriter**—None.

Power Designs Inc.
March 31, 1961 filed 500,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The design, manufacture and sale of power supply equipment for the conversion of commercial AC power. **Proceeds**—To repay loans, for expansion and working capital. **Office**—1700 Shames Drive, Westbury, N. Y. **Underwriter**—Pistell, Crow, Inc., New York City.

★ Precision Specialties, Inc.
May 15, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The manufacture of precision instruments. **Proceeds**—To repay loans for construction, purchase of equipment; research and development, and working capital. **Office**—Hurffville, N. J. **Underwriter**—Harrison & Co., Philadelphia, Pa.

★ Public Service Electric & Gas Co. (6/6)
May 18, 1961 filed 900,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans and for construction. **Office**—80 Park Place, Newark, N. J. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

Q-Line Instrument Corp.
May 8, 1961 (letter of notification) 65,000 shares of common stock (par one cent). **Price**—$4 per share. **Business**—The manufacturers of technical equipment. **Proceeds**—For relocation of business; new equipment; expansion, and working capital. **Office** — 1562-61st St., Brooklyn, N. Y. **Underwriter**—William, David & Motti, Inc., New York, N. Y.

RMS Electronics, Inc.
April 12, 1961 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Business**—The manufacture of television and FM radio antennae. **Proceeds**—For general corporate purposes. **Address**—2016 Bronxdale Ave., Bronx, N. Y. **Underwriter**—Martinelli & Co., New York, N. Y.

Ram Electronics, Inc. (5/31)
Dec. 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of electronic and replacement parts for television receivers and other electrical circuits. **Proceeds**—For general corporate purposes. **Office**—600 Industrial Ave., Paramus, N. J. **Underwriter**—General Securities Co., Inc., 101 West 57th St., New York City.

• Real Estate Investment Trust of America (6/7)
March 31, 1961 filed 500,000 shares of beneficial interest in the Trust. **Price**—To be supplied by amendment. **Business**—The Trust which was organized in 1955 to acquire the assets of three Massachusetts business trusts now holds real estate properties in 12 states and the District of Columbia. **Proceeds** — For investment. **Office** — 294 Washington St., Boston, Mass. **Underwriters** — Paine, Webber, Jackson & Curtis; Kidder, Peabody & Co., and Lee Higginson Corp., all of New York City.

Recco, Inc.
April 17, 1961 (letter of notification)) 60,000 shares of class A common stock (par one cent). **Price**—$5 per share. **Proceeds**—To open a new licensed department in 1961. **Office**—1211 Walnut St., Kansas City, Mo. **Underwriter**—Midland Securities Co., Kansas City, Mo.

Recreation Enterprises, Inc. (6/7)
March 16, 1961 filed 110,000 units of common stock and warrants, each unit to consist of one share of class A common and two common stock purchase warrants for the purchase of class A common (one exercisable at $5.50 per share for 18 months and the other at $6 per share within 36 months). **Price**—$5 per unit. **Business**—The company plans to operate a chain of bowling alleys in the midwestern states, initially in Missouri and Kansas. **Proceeds**—For the building of bowling centers. **Office**—6000 Independence Ave., Kansas City, Mo. **Underwriter**—I. M. Simon & Co., St. Louis, Mo.

Reher Simmons Research Inc.
May 8, 1961 filed 150,000 shares of capital stock. **Price**—$6 per share. **Business**—The research and development of processes in the field of surface and biochemistry. **Proceeds**—For plant construction, equipment, research and development, sales promotion and working capital. **Office**—545 Broad St., Bridgeport, Conn. **Underwriter**—McLaughlin, Kaufmann & Co., New York City (managing).

Renaire Foods, Inc. (5/29)
March 30, 1961 filed $600,000 of debentures, 6½% convertible series due 1976, to be offered for public sale by the company and 125,000 shares of common stock, (par $1) of which 100,000 shares are to be offered for sale by the company and 25,000 outstanding shares by the present holders thereof. **Price**—At 100% of principal amount, for the debentures and $6 per share for the stock. **Business**—The retail distribution of food freezers, frozen foods, groceries, vitamins, proprietary medicines and sundries, principally in the Philadelphia and Baltimore trading areas. **Proceeds**—For construction, the purchase of installment contracts resulting from the sales of food and freezers, and for working capital. **Office**—770 Baltimore Pike, Springfield, Pa. **Underwriter**—P. W. Brooks & Co., Inc., New York City.

★ Ripley Co., Inc.
May 19, 1961 filed 82,500 shares of common stock, of which 25,000 shares are to be offered for public sale by the company and 57,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of photoelectric street light controls, centrifugal blowers and other electronic equipment. **Proceeds**—For new product development. **Office**—One Factory Street, Middletown, Conn. **Underwriter** — Dominick & Dominick, New York City (managing).

Rockower Brothers, Inc.
May 1, 1961 filed 140,000 outstanding shares of common stock (par 30 cents) to be offered for public sale by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The retail sale of men's and boys' clothing. **Proceeds**—For the selling stockholders. **Office**—160 West Lehigh Avenue, Philadelphia. **Underwriter**—Drexel & Co., Philadelphia.

Ruth Outdoor Advertising Co., Inc. (5/31)
March 10, 1961 (letter of notification) 80,000 shares of class A stock (par 10 cents). **Price**—$3 per share. **Business**—Outdoor advertising. **Proceeds**—For general corporate purposes. **Address** — R. D. No. 2, Albany, N. Y. **Underwriter**—Lewis & Stoehr, New York, N. Y.

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● St. Louis Capital, Inc. (6/5-9)
April 11, 1961 filed 750,000 shares of common stock (par $1). **Price**—$10 per share. **Business**—A new small business investment company. **Proceeds** — For investment. **Office**—611 Olive St., St. Louis, Mo. **Underwriters**—Hornblower & Weeks, New York City and I. M. Simon & Co., St. Louis (co-managers).

● Schneider (Walter J.) Corp.
March 30, 1961 filed 120,000 shares of class A common (par 10 cents). **Price**—$5 per share. **Business**—Organized on March 24, 1961, the company plans to engage in the real estate business and allied activities. **Proceeds**—For general corporate purposes. **Office**—67 West 44th Street, New York City. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., both of New York City.

Science Capital Corp.
May 9, 1961 filed 450,000 shares of common stock. **Price**—$8 per share. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—Juniper & Walnut Sts., Philadelphia, Pa. **Underwriters**—Blair & Co., Inc., New York City; Stroud & Co., Inc., and Woodcock, Moyer, Fricke & French, Philadelphia, Pa.

Scope, Inc.
March 28, 1961 filed 75,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The research and development of projects for agencies of the U. S. Government. **Proceeds**—For the repayment of debt, production and marketing of new products, and for working capital. **Office**—121 Fairfax Drive, Falls Church, Va. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C. **Offering**—Expected in early June.

● Seaboard Electronic Corp. (7/3)
April 26, 1961 filed 100,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—$5.50 per share. **Business**—The manufacture of warning signals, control boxes, intervalometers and related equipment for aircraft and missile application. **Proceeds**—For the selling stockholders. **Office**—417 Canal Street, New York City. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

Search Investments Corp. (6/12)
Jan. 4, 1961 filed 1,000,000 shares of common stock. **Price**—$1 per share. **Business**—A non-diversified closed-end investment company. **Proceeds** — For working capital and for investments. **Office**—1620 Rand Tower, Minneapolis, Minn. **Underwriter**—None.

Securities Credit Corp.
Jan. 27, 1961 filed $3,000,000 of 6% series A subordinated debentures. **Price** — 100% of principal amount. **Business**— The company and its subsidiaries are engaged in the retail financing of new and used automobiles, mobile homes, appliances, furniture and farm equipment for purchasers, and the wholesale financing of dealers' inventories of such automobiles and direct lending to consumers, and the writing of automobile, credit life, and other types of insurance. **Proceeds**—For working capital. **Office**—1100 Bannock Street, Denver, Colo. **Underwriter**—None.

Security Acceptance Corp.
March 7, 1961 filed 100,000 shares of class A common stock and $400,000 of 7½% 10-year debenture bonds, to be offered in units consisting of $100 of debentures and 25 shares of stock. **Price**—$200 per unit. **Business**—The purchase of conditional sales contracts on home appliances. **Proceeds** — For working capital and expansion. **Office**—724 9th St., N. W., Washington, D. C. **Underwriter**—None.

Servonic Instruments, Inc.
April 26, 1961 filed 95,000 shares of no par common stock, of which 50,000 shares are to be offered for public sale by the company and 45,000 shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The research, design, development, manufacture and sale of precision devices consisting primarily of electromechanical transducers, for a variety of military, industrial and scientific uses. **Proceeds**—For new equipment, plant expansion and working capital. **Office**—1644 Whittier, Calif. **Underwriter** — C. E. Unterberg, Towbin Co., New York City.

Shasta Minerals & Chemical Co.
April 24, 1961 filed 500,000 shares of common stock. **Price**—$2.50 per share. **Business**—Acquisition, development, and exploration of mining properties. **Proceeds**—For general corporate purposes. **Office** — 1406 Walker Bank Bldg., Salt Lake City, Utah. **Underwriter**—None.

● Shepard Airtronics, Inc.
April 26, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price** — $4 per share. **Business**—The manufacture of high altitude breathing and ventilation equipment. **Proceeds**—For repayment of loans; new equipment, research and development, plant improvement, purchase of inventory, advertising and working capital. **Office** — 787 Bruckner Boulevard, Bronx, N. Y. **Underwriter**—L. C. Wegard & Co., 28 West State St., Trenton, N. J.

Sherman Co.
March 29, 1961 filed 1,096 of limited partnership shares. **Price** — $5,000 per unit. **Business** — The company was formed on March 15, 1961 to acquire the Hotel Sherman in Chicago. **Proceeds**—To purchase the above property. **Office**—10 E. 40th Street, New York City. **Underwriter**—None.

● Sica Skiffs, Inc.
April 19, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of "sea skiffs" a type of inboard motor boat. **Proceeds**—For the repayment of debt, the development of retail outlets, property improvement, and working capital. **Office**—Toms River, N. J. **Underwriter**—Warner, Jennings, Mandel & Longstreth, Philadelphia (managing). **Offering**—Expected in early July.

★ Slater Electric Inc.
May 18, 1961 filed 150,000 shares of class A stock, of which 100,000 shares are to be offered for public sale by the company and 50,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The manufacture of electrical equipment, principally wiring devices and lighting controls used in industrial, commercial and residential buildings. **Proceeds**—To reduce outstanding loans, purchase additional equipment, and for working capital. **Office**—45 Sea Cliff Avenue, Glen Cove, L. I., N. Y. **Underwriter**—C. E. Unterberg, Towbin Co., New York City (managing).

Solar Systems, Inc.
April 20, 1961 (letter of notification) 125,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To repay short term notes, for additional inventory, advertising, and working capital. **Office**—11936 Valerio Street, North Hollywood, Calif. **Underwriters**—Darius, Inc., New York, N. Y. and N. A. Hart & Co., Bayside, N. Y.

● Sony Corp. (6/6)
April 28, 1961 filed 2,000,000 shares of common stock (par 50 yen). The underwriters will deliver to purchasers, ADR's evidencing American Depositary Shares (each representing 10 shares of Sony common). **Price**—To be supplied by amendment. **Business**—The manufacture and sale of transistorized radio and television receivers, magnetic tape recorders and other electronic equipment. **Proceeds** — For expansion. **Office** — Tokyo, Japan. **Underwriters**—Smith, Barney & Co., and The Nomura Securities Co., Ltd., both of New York City.

Sony Corp.
May 3, 1961 filed 798,200 shares of common stock (par 50 yen) to be offered for subscription by common stockholders resident in the U. S., on the basis of one new share for each share held of record March 1. **Price**—At par (about 14 cents). **Business** — The manufacture and sale of transistorized radio and television receivers, magnetic tape recorders and other electronic equipment. **Proceeds**—For expansion. **Office**—Tokyo, Japan. **Underwriter**—None.

★ Southeastern Capital Corp.
May 16, 1961 filed 500,000 shares of common stock (par $1). **Price**—$12.50 per share. **Business**—A small business investment company. **Proceeds** — For investment. **Office**—Life & Casualty Tower, Nashville, Tenn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

Southern Electric Generating Co. (6/15)
May 8, 1961 filed $20,000,000 of first mortgage bonds due June 1, 1992. **Proceeds**—For construction. **Office**—600 North 18th Street, Birmingham, Ala. **Underwriters**—To be determined by competitive bidding. Previous bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Blyth & Co., Inc. (jointly); Morgan Stanley & Co.; White, Weld & Co., and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co.; Equitable Securities Corp., and Drexel & Co., (jointly); First Boston Corp. **Bids**—To be received June 15 at 11 a.m. (DST) in Room 1600, 250 Park Avenue, New York City. **Information Meeting**—Scheduled for June 12 at 3 p.m., (DST) on 5th floor of 55 Wall Street, New York City.

Southland Life Insurance Co. (6/5-9)
March 28, 1961 filed 80,000 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—To purchase the 55% of the outstanding common stock of Carolina Life Insurance Co. not heretofore owned by the issuer. **Office**—Dallas, Texas. **Underwriter**—Equitable Securities Corp., Nashville, Tenn. (managing).

Special Metals, Inc.
May 16, 1961 filed $2,656,250 principal amount of 6% subordinated debentures due July 1, 1976 and 159,375 shares of common stock (par $2) to be offered for public sale in units of $50 of debentures and three common shares. **Price**—To be supplied by amendment. **Business**—The company has contracted to buy the Metals Division of Kelsey-Hayes Co., and will produce special high temperature metal alloys by vacuum melting for use in jet aircraft engines. **Proceeds**—To repay a bank loan. **Office** — New Hartford, N. Y. **Underwriters** — White, Weld & Co., Inc., and Lehman Brothers, both of New York City (managing).

★ Speed-O-Print Business Machines Corp.
May 24, 1961 filed 125,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To pay off notes in the amount of $422,826, with the balance for general corporate purposes. **Office**—Chicago, Ill. **Underwriter**—Rodman & Renshaw, Chicago, Ill. (managing).

Spencer Laboratories, Inc.
May 1, 1961 (letter of notification) 1,624 shares of class A common stock (no par) to be offered for subscription by stockholders on the basis of four shares for each five shares held, with the unsubscribed shares to be sold to the public. **Price**—To stockholders, $100 per share; to the public, $110 per share. **Business**—Manufacturers of Pharmaceuticals. **Proceeds** — For testing new products, inventories; marketing and general corporate purposes. **Office**—10 Pine St., Morristown, N. J. **Underwriter**—E. T. Andrews & Co., Hartford, Conn.

Standard Brands Paint Co.
May 2, 1961 filed 265,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture and direct retail sale of paints, enamels, varnishes and allied products in the Southern California area. **Proceeds**—For the repayment of debt, the retirement of outstanding 8% debentures and for expansion. **Office** — 4300 W. 190th St., Torrance, Calif. **Underwriters**—Sutro Bros. & Co., and Allen & Co., both of New York City (managing). **Offering**—Expected in June.

Standard Security Life Insurance Co. of N. Y.
March 27, 1961 filed 162,000 shares of common stock to be offered for subscription by holders of common and class A stock on the basis of two new shares for each five shares held. **Price** — To be supplied by amendment. **Business**—The writing of life, accident and health insurance. **Proceeds**—For general corporate purposes. **Office**—111 Fifth Avenue, New York City. **Underwriter**—None.

★ State Loan & Finance Corp.
May 18, 1961 filed $25,000,000 of sinking fund debentures due 1981. **Price**—To be supplied by amendment. **Business**—Consumer finance. **Proceeds**—For the repayment of loans. **Office**—1200 18th Street, N. W., Washington, D. C. **Underwriters**—Johnston, Lemon & Co., Washington, D. C., and Eastman Dillon, Union Securities & Co., New York City (managing).

Stratton Corp. (6/5-9)
March 3, 1961 filed $650,000 of 5% convertible subordinated debentures, due Dec. 1, 1981. **Price**—At 100% of principal amount. **Business**—The development and operation of a winter and summer recreational resort on Stratton Mountain in southern Vermont. **Proceeds**—For construction. **Office**—South Londonderry, Vt. **Underwriter**—Cooley & Co., Hartford, Conn.

Sun Valley Associates
March 30, 1961 (letter of notification) $205,000 of limited partnership interests to be offered in units of $5,000, or fractional units of not less than $2,500. **Proceeds**—For working capital. **Address** — Harlingen, Texas. **Underwriter**—First Realty Syndicators, 11 E. 44th Street, New York, N. Y.

Sunnyside Telephone Co.
April 13, 1961 (letter of notification) 87,664 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For a new building and equipment. **Address**—Clackamas, Oreg. **Underwriter**—June S. Jones Co., Portland, Oreg.

● Super Food Services, Inc.
April 14, 1961 filed 60,000 shares of common stock (par one cent), of which 30,000 shares are to be offered for public sale by the company and 30,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries distribute food products to about 643 independently owned IGA retail grocery stores in Ohio, Florida, New York, New Jersey and Michigan. **Proceeds**—For working capital. **Office**—105 South LaSalle St., Chicago, Ill. **Underwriter** — Shearson, Hammill & Co., New York City (managing).

Supermarkets Operating Co.
May 10, 1961 filed 125,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The operation of a chain of "Shop-Rite" supermarkets and the production and marketing of "Huber's Sunbeam" bakery products. **Proceeds** — For working capital, and general corporate purposes. **Office**—1416 Morris Ave., Union, N. J. **Underwriters**—Robert Garrett & Sons, Baltimore, Md., and G. H. Walker & Co., New York City.

Superstition Mountain Enterprises, Inc. (7/10-14)
Jan. 30, 1961 filed 2,000,000 shares of common stock. **Price** — $2.50 per share. **Business** — The company was formed in March, 1959 to develop real property at the foot of Superstition Mountain near Apache Junction, Ariz. It has developed part of the property to form the Apacheland Sound Stage and Western Street, architecturally designed for the 1870 period, which is used for the shooting of the motion picture and television productions. **Proceeds**—To purchase and develop additional property. **Office**—Apache Junction, Ariz. **Underwriter**—None.

★ Sure-Save, Inc.
May 12, 1961 (letter of notification) 3,000 shares of common stock. **Price**—At par ($100 per share). **Office**—1500 W. 15th Ave., Amarillo, Tex. **Underwriter**—None.

Survivors' Benefit Insurance Co.
March 30, 1961 filed 50,000 shares of common stock to be offered initially to stockholders and thereafter to policyholders, employees and company representatives. **Price**—$21.70 per share. **Business** — The company is qualified to write life insurance in the state of Missouri. **Proceeds**—For expansion of the business into other states and for reserves. **Office** — 4725 Wyandotte St., Kansas City, Mo. **Underwriter**—None.

Suval Industries Inc.
April 27, 1961 filed 125,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 25,000 outstanding shares by the present holders thereof. **Price**—$4 per share. **Business**—The manufacture of supported vinyl plastic sheeting for the automobile, furniture and clothing industries. **Proceeds**—For additional equipment, product expansion and working capital. **Office**—Cantiagua Road, Westbury, N. Y. **Underwriters** — Milton D. Blauner & Co., and Brukenfeld & Co., both of New York City. **Offering**—Expected about mid-June.

● Taddeo Bowling & Leasing Corp.
March 31, 1961 filed $600,000 of 8% convertible subordinated debentures due 1971, 125,000 shares of common stock and 50,000 class A warrants to purchase common stock to be offered for public sale in units consisting of $240 of debentures, 50 common shares and 20 warrants. **Price** — $640 per unit. **Business** — The construction of

bowling centers. **Proceeds**—For construction and working capital. **Office**—873 Merchants Road, Rochester, N. Y. **Underwriter**—Lomasney, Loving & Co., New York City (managing). **Offering**—Expected in June.

Taffet Electronics, Inc. (6/30)
April 28, 1961 filed 132,000 shares of common stock. **Price** — $3 per share. **Business** — The manufacture of electronic equipment, principally electronic test equipment, partial electronic systems and assemblies, and the fabrication of electronic components, for use primarily in the communications field. **Proceeds**—For additional equipment, capital improvements and working capital. **Office**—27-01 Brooklyn Queens Expressway, Woodside, N. Y. **Underwriters**—Fialkov & Co., Inc. (managing); Stanley Heller & Co., Amos Treat & Co., Inc., all of New York City.

• Tassette, Inc. (6/1)
Feb. 15, 1961 filed 200,000 shares of class A stock. **Price** —$12 per share. **Business**—The company was organized under Delaware law in 1959 to finance the exploitation and sale of "Tassette," a patented feminine hygiene aid. **Proceeds**—For advertising and promotion, market development, medical research and administrative expenses. **Office**—170 Atlantic St., Stamford, Conn.. **Underwriter**—Amos Treat & Co., Inc., New York City (managing); Bruno-Lenchner, Inc., Pittsburgh; and Karen Securities Corp., New York City.

Tax-Exempt Public Bond Trust Fund
Jan. 16, 1961 filed $5,000,000 of interests (5,000 units). **Price**—To be computed on the basis of the trustees evaluation of the underlying public bonds, plus a stated percentage (to be supplied by amendment) and dividing the sum thereof by 5,000. **Business** — The trust was formed by John Nuveen & Co., Chicago, Ill., to invest in tax-exempt obligations of states, counties, municipalities and territories of the United States. **Sponsor** — John Nuveen & Co., 135 South La Salle Street, Chicago, Ill.

Tax-Exempt Public Bond Trust Fund, Series 2
Feb. 23, 1961 filed $10,000,000 (10,000 units) ownership certificates. **Price**—To be filed by amendment. **Business** —The fund will invest in interest bearing obligations of states, counties, municipalities and territories of the U. S., and political subidivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds** — For investment. **Office** — 135 South La Salle Street, Chicago, Ill. **Sponsor**—John Nuveen & Co., Chicago, Ill.

• Templeton, Damroth Corp. (6/12-16)
March 30, 1961 filed $445,000 of 5½% convertible debentures, due 1969. **Price** — 100% of the principal amount. **Business** — The management and distribution of shares of four investment companies, and also private investment counselling. **Proceeds**—To increase the sales efforts of subsidiaries, to establish a new finance company, and for general corporate purposes. **Office**—630 Third Avenue, New York City. **Underwriter**—Hecker & Co., Philadelphia, Pa.

• Tennessee Investors, Inc.
May 16, 1961 filed 500,000 shares of common stock to be publicly offered, and 4,206 common shares to be offered to holders of the outstanding common on the basis of one new share for each nine shares held. **Prices**—$12.50 per share for the public offering and $11.40 per share for the rights offering. **Business**—A small business investment company. **Proceeds** — To finance the company's activities of providing equity capital and long term loans to small business concerns. **Office**—Life and Casualty Tower, Nashville, Tenn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

Terry Industries, Inc.
Feb. 28, 1961 filed 1,728,337 shares of common stock of which 557,333 shares are to be offered for the account of the issuing company and 1,171,004 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—For the company's shares, to be related to A.S.E. prices at time of the offering. For the stockholders' shares, the price will be supplied by amendment. **Business** — The company, formerly Sentry Corp., is primarily a general contractor for heavy construction projects. **Proceeds**—The proceeds of the first 12,000 shares will go to Netherlands Trading Co. The balance of the proceeds will be used to pay past due legal and accounting bills, to reduce current indebtedness, and for working capital. **Office**—11-11 34th Ave., Long Island City, L. I., N. Y. **Underwriter** — (For the company's shares only) Greenfield & Co., Inc., New York City.

Therm-Air Mfg. Co., Inc.
April 11, 1961 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—Manufacturers of self-contained packaged temperature and humidity control equipment. **Proceeds**—For general corporate purposes. **Address** — Peekskill, N. Y. **Underwriter** — Harry Odzer Co., New York, N. Y. **Offering**—Imminent.

★ Thompson Ramo Wooldridge Inc.
May 24, 1961 filed $25,000,000 of 25-year sinking fund debentures, due 1986. **Price**—To be supplied by amendment. **Proceeds**—For general funds, including debt reduction. **Office**—23555 Euclid Avenue, Cleveland, Ohio. **Underwirters**—Smith, Barney & Co., New York City and McDonald & Co., Cleveland, Ohio (managing).

Thompson-Starrett Co., Inc.
March 29, 1961 filed 1,000 outstanding shares of $0.70 cumulative convertible preferred stock (par $10) and 1,172,243 outstanding shares of common stock to be offered for public sale by the holders thereof. **Price**—At the market. **Business**—The design, engineering and construction of an office building and research laboratory; and the assembling and distribution of radios, television sets and electric organs. **Proceeds**—For the selling stockholders. **Office** — 745 Fifth Avenue, New York City. **Underwriter**—None.

• Thor Power Tool Co. (6/12-16)
April 19, 1961 filed $4,000,000 of subordinated convertible debentures due June 1, 1981. **Price**—To be supplied by amendment. **Business**—The manufacture of portable tools and other industrial products. **Proceeds**—To retire short-term bank loans. **Office** — 175 North State St., Aurora, Ill. **Underwriter**—Hornblower & Weeks, New York City (managing).

• Toledo Plaza Limited Partnership (6/14)
April 7, 1961 filed $522,500 of interests in the partnership to be offered for public sale in 209 units. **Price**—$2,500 per unit. **Business**—The partnership was organized under Maryland law in April 1961 to acquire, develop and operate the Toledo Plaza apartment project in Prince George County, Md., scheduled for occupancy in May, 1961. **Proceeds**—For the purchase of the above property. **Office**—1411 K St., N. W., Washington, D. C. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

★ Tonka Toys, Inc.
May 22, 1961 filed 155,000 shares of common stock (par $1) of which 60,000 shares will be offered for public sale by the company and 95,000 shares by the selling stockholders. **Price**—To be supplied by amendment. **Business** —The manufacture and sale fo plastic and metal toys. **Proceeds**—For working capital. **Office**—Mound, Minn. **Underwriter**—Bache & Co., New York City (managing).

Tourist Industry Development Corp. Ltd.
March 29, 1961 filed $2,000,000 of 7% subordinated debenture stock due 1981, convertible into class B ordinary stock. **Price**—100% of principal amount. **Business**—The company was organized in 1957 for the purpose of financing tourist enterprises in Israel. **Proceeds**—To repay advances from the State of Israel and to make loans to various enterprises such as hotels, restaurants and transport industries. **Office**—Jerusalem, Israel. **Underwriter** —None.

Trans World Airlines, Inc.
March 30, 1961 filed $111,235,900 of 6½% subordinated income debentures, due 1978, with warrants being offered for subscription by stockholders on the basis of $100 principal amount of debentures for each 6 common shares held of record May 25, with rights to expire June 8. **Price**—At 100% of Principal amount. **Proceeds**—For repayment of debt and general corporate purposes. **Office**—380 Madison Ave., New York City. **Underwriter**—None. Hughes Tool Co., which owns voting trust certificates representing 78.23% of the company's outstanding stock, has agreed to purchase enough of the unsubscribed for debentures, if any, to provide the company with at least $100,000,000.

Transcontinental Investment Co.
March 15, 1961 (letter of notification) 120,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—For advances to subsidiaries. **Office**—278 S. Main Street, Salt Lake City, Utah. **Underwriter**—Continental Securities Corp., 627 Continental Bank Building, Salt Lake City, Utah.

Trebor Oil Co. Ltd.
May 1, 1961 filed $150,000 of limited partnership interests to be offered for public sale in 150 units. **Price**—$1,000 per unit. **Proceeds**—For the acquisition of oil leases and the development of, thereof. **Office**—213 First National Bank Building, Abilene, Texas. **Underwriter**—None.

Triangle Instrument Co. (6/13)
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture of precision instruments and components. **Proceeds**—For equipment, inventory, the repayment of debt, and working capital. **Office**—Oak Drive and Cedar Place, Syosset, L. I., N. Y. **Underwriter** —Armstrong & Co., Inc., New York City.

Tungsten Mountain Mining Co.
April 7, 1961 (letter of notification) 400,000 shares of common stock (par 25 cents). **Price** — 62½ cents per share. **Proceeds**—For mining expenses. **Office**—511 Securities Bldg., Seattle, Wash. **Underwriter**—H. P. Pratt & Co., Inc., Seattle, Wash.

Turbodyne Corp.
May 10, 1961 filed 200,000 shares of common stock. **Price** —$2 per share. **Business** — The research, development, manufacturing and marketing of space and rocket engines, and related activities. **Proceeds**—For research and development, and working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

★ Union Oil Co. of California (6/21)
May 18, 1961 filed $60,000,000 of debentures due June 1, 1986 and $60,000,000 of convertible subordinated debentures due June 1, 1991. **Price**—To be supplied by amendment. **Proceeds**—For the retirement of the outstanding $120,000,000 3¼% convertible subordinate debentures due April 1, 1981. **Office**—Union Oil Center, Los Angeles, Calif. **Underwriter**—Dillon, Read & Co., Inc., New York City (managing).

• Union Tank Car Co. (6/1)
April 28, 1961 filed $40,000,000 of sinking fund debentures due Aug. 1, 1986. **Business**—The furnishing of railway tanks cars to shippers of petroleum products and other liquids. **Proceeds**—For the retirement of a bank loan. **Office**—228 N. La Salle Street, Chicago, Ill. **Underwriters**—Smith, Barney & Co. Inc., and Blunt Ellis & Simmons, Chicago (managing).

★ United Electro Plastics Corp.
May 15, 1961 (letter of notification) 250,000 shares of common stock (par 10 cents). **Price**—$1.15 per share. **Office**—510 First Ave. N., Minneapolis, Minn. **Underwriter**—None.

U. S. Fiberglass Products Co.
April 27, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business**—The company plans to manufacture fiberglass shingles, beams, purlin and other materials. **Proceeds** — For working capital, inventory and equipment, and sales promotion. **Office** — Clarkville, Texas. **Underwriter**—Hauser, Murdock, Rippey & Co., Dallas, Texas.

U. S. Home & Development Corp.
May 11, 1961 filed 300,000 shares of class A capital stock. **Price**—To be supplied by amendment. **Business** — The planning, development and marketing of single-family-home communities in New Jersey. **Proceeds**—For the repayment of loans, purchase of land and development of properties. **Office** — 52 Neil Ave., Lakewood, N. J. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C., and New York City.

U. S. Mfg. & Galvanizing Corp. (6/6)
Jan. 3, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — To reduce current liabilities, sales promotion, purchase inventory, and for working capital. **Office**—5165 E. 11th Avenue, Hialeah, Fla. **Underwriter**—Armstrong & Co., Inc., 15 William St., New York, N. Y.

United Variable Annuities Fund, Inc.
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo. **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo. **Offering**—Expected in the fall of 1961.

Universal Manufacturing Co. (6/15)
Feb. 23, 1961 (letter of notification) 135,000 shares of common stock (par 10 cents) of which 35,000 shares are to be offered for the account of the company and 100,000 outstanding shares, stock, by the selling stockholders. **Price** — $2 per share. **Proceeds** — For working capital. **Office**—516 W. 4th Street, Winona, Minn. **Underwriter**—Naftalin & Co., Inc., Minneapolis, Minn.

Vahlsing, Inc.
April 24, 1961 filed 300,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The company plans to acquire the business of F. H. Vahlsing, Inc., a Maine grower and shipper of potatoes and to operate a plant now being constructed for the processing of potatoes. **Proceeds**—For the repayment of debt and working capital. **Office** — Easton, Maine. **Underwriter**—Pistell, Crow, Inc., New York City (managing).

• Varian Associates (6/1)
May 1, 1961 filed 347,883 shares of capital stock to be offered for subscription by shareholders on the basis of one new share for each 10 shares held of record June 1 with rights to expire June 19. **Price**—To be supplied by amendment. **Business**—The design, manufacture and sale of microwave tubes, and electronic components and systems for military, commercial and industrial use. **Proceeds**—For a new plant, equipment, the repayment of bank loans and for working capital. **Office**—611 Hansen Way, Palo Alto, Calif. **Underwriter**—Dean Witter & Co., San Francisco (managing).

• Varicraft Industries, Inc.
April 28, 1961 (letter of notification) 120,000 shares of common stock (par 5 cents), of which 100,000 shares are to be offered for the account of the issuing company and 20,000 shares, representing outstanding stock, are to be offered for the account of the underwriter as selling stockholder. **Price**—$2.25 per share. **Proceeds**—To reduce outstanding indebtedness, for expansion, and for general corporate purposes. **Office**—45th and Crescent Blvd., Pennsauken, N. J. **Underwriter**—Peter Herbert Co., Inc., 150 Broadway, New York City.

Vector Engineering, Inc. (5/29)
March 3, 1961 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Business** — Provides engineering and design services. **Proceeds** — For general corporate purposes. **Office** — 155 Washington Street, Newark, N. J. **Underwriter**—Omega Securities Corp., New York, N. Y.

Versapak Film & Packaging Machinery Corp.
March 30, 1961 filed 150,000 shares of common stock and 150,000 five-year warrants, to be offered for public sale in units of one share of stock and one warrant. **Price**—$3.125 per unit. **Business**—The design, development and sale of versatile automatic equipment for packaging items in special heat-shrinkable film. **Proceeds**—To repay loans, for additional equipment and inventory; and for working capital. **Office**—928 Broadway, New York City. **Underwriters**—Hill, Thompson & Co. (managing); Hampstead Investing Corp., and Globus, Inc., all of New York City.

• Vic Tanny Enterprises, Inc. (6/28)
May 11, 1961 filed 320,000 shares of class A common stock (par 10 cents) of which 120,000 shares will be offered for the account of the company and 200,000 shares by the present holder thereof. **Price**—To be supplied by amendment. **Business**—The operation of a national chain of gymnasiums and health centers for men and women. **Proceeds**—The company will use its part of the proceeds for the opening of new gymnasiums and the promotion of home exercise equipment. **Office**—375 Park Ave., New York City. **Underwriter**—S. D. Fuller & Co., New York City.

★ Vinco Corp. (6/30)
May 19, 1961 filed $2,000,000 of 6% convertible subordinated debentures due 1976. **Price**—At 100% of principal amount. **Business**—The production of gauges and measuring instruments and the manufacture of precision parts and subassemblies for the aircraft, missile and other industries. **Proceeds**—For the repayment of debt, expansion, working capital and reserves for possible fu-

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ture acquisitions. **Office**—9111 Schaefer Highway, Detroit, Mich. **Underwriter**—S. D. Fuller & Co., New York City (managing).

Virginia Chemicals & Smelting Co. (6/6)
April 18, 1961 filed 135,000 shares of common stock, of which 50,000 shares will be offered for the account of the company and 85,000 outstanding shares for the selling stockholders. **Price** — To be supplied by amendment. **Business**—The manufacture of industrial chemicals, refrigerants and aerosol insecticides. **Proceeds**—For expansion. **Office**—Norfolk, Va. **Underwriter**—White, Weld & Co., New York City (managing).

Virginia Electric & Power Co. (6/13)
May 12, 1961 filed $30,000,000 of first and refunding mortgage bonds, series Q, due June 1, 1991. **Proceeds**—For construction. **Office**—700 East Franklin St., Richmond, Va. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Brothers & Hutzler; Goldman, Sachs & Co. **Bids**—To be received on June 13, 1961 at 11 a.m. (DST) on the 23rd floor of One Chase Manhattan Plaza, New York City. **Information Meeting**—Scheduled for June 8 at 11 a.m. (DST) at the above address.

Waldorf Auto Leasing, Inc.
March 23, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The rental of automobiles. **Proceeds**—For purchase of automobiles, advertising and sales promotion, and working capital. **Office**—1712 E. 9th Street, Brooklyn 23, N. Y. **Underwriters**—Martinelli & Co., Inc.; First all of New York City.

★ Walter, (Jim) Corp.
May 18, 1961 filed $20,000,000 of first subordinated debentures due 1981 (with attached warrants to buy up to 80,000 common shares). **Price** — To be supplied by amendment. **Business**—The construction, and mortgage financing of shell homes. **Proceeds**—To reduce bank debt and finance the sale of additional homes. **Office**—1500 North Dale Mabry Highway, Tampa, Fla. **Underwriter**—Alex. Brown & Sons, Baltimore, Md. (managing).

Walter Sign Corp.
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture and installation of highway signs. **Proceeds**—For the reduction of debt, sales promotion, inventory and reserves. **Office**—4700 76th St., Elmhurst, L. I., N. Y. **Underwriter**—Amber, Burstein & Co., 40 Exchange Place, New York 5, N. Y.

● Waltham Watch Co. (6/1)
March 9, 1961 refiled 100,000 shares of common stock (par $2.50) and $600,000 of 16-year convertible bonds (convertible into common at $6 per share), to be sold initially to stockholders in units of 25 shares of stock and $150 of debentures. **Price**—For the stock: about $8 per share; for the debentures: at par. **Business** — The importing, assembling, manufacturing and selling of watches and jewelry. **Proceeds** — For working capital. **Office**—231 South Jefferson St., Chicago, Ill. **Underwriter**—P. J. Gruber & Co., Inc., (managing); Underhill Securities Corp., and Peter Herbert & Co., Inc., all of New York City.

Washington Natural Gas Co.
March 30, 1961 filed 118,384 shares of common stock and warrants to purchase 3,500 shares. The company is offering 114,884 shares for subscription by common stockholders on the basis of one new share for each 10 shares held of record May 1, with rights to expire May 22. **Price**—$29 per share. **Business**—The distribution of natural gas at retail in the Puget Sound area of Washington state. **Proceeds**—For the repayment of bank loans and for construction. **Office**—1507 Fourth Ave., Seattle, Wash. **Underwriters**—Dean Witter & Co., San Francisco; Blyth & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York City.

Washington Real Estate Investment Trust
March 31, 1961 filed 600,000 shares of beneficial interest in the Trust. **Price**—$5 per share. **Business**—For investment in income producing real estate in the metropolitan Washington, D. C. area. **Proceeds**—For investment. **Office**—919 18th St., N. W., Washington, D. C. **Underwriters** — Ferris & Co., Washington, D. C. (managing). **Offering**—Expected in late June.

Watsco, Inc.
April 13, 1961 filed 155,000 shares of common stock, of which 135,000 shares are to be offered for public sale by the company and 20,000 outstanding shares by the present stockholder. **Price**—To be supplied by amendment. **Business**—The manufacture of valves, strainers and other products for the refrigeration and air conditioning industry. **Proceeds**—For construction; new equipment; advertising; salaries; the repayment of debt, and working capital. **Office**—1020 E. 15th St., Hialeah, Fla. **Underwriter**—Aetna Securities Corp., New York City (managing).

Wej-It Expansion Products, Inc.
May 4, 1961 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For plant and facilities, moving equipment, inventory, working capital and repayment of a loan. **Office**—4 S. Santa Fe Dr., Denver, Colo. **Underwriter**—Amos C. Sudler & Co., Denver, Colo.

Westbury Fashions, Inc.
May 10, 1961 filed 120,000 shares of common stock, of which 68,000 shares are to be offered for public sale by the company and 52,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The design, manufacture and sale of casual dresses for girls and women. **Proceeds**—For expansion, the repayment of loans, equipment, and working capital. **Office** — 1400 Broadway, New York City. **Underwriter** — McDonnell & Co., Inc., New York City (managing).

Western Factors, Inc.
June 29, 1960 filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

Western Growth Corp. (5/29)
March 17, 1961 filed 202,107 shares of class A common stock (par 10 cents), of which 150,000 shares are to be offered for public sale by the company in units of 10 shares each; and 52,107 outstanding shares by selling stockholders after trading commences. **Price**—For the company's stock: $100 per unit. For the selling stockholder: At-the-Market. **Business**—The development of property in California for single-family homes, the investment in notes or contracts secured by single-family homes, and other phases of the real estate business. **Proceeds**—For ordinary expenses, repayment of loans and working capital. **Office**—636 North La Brea Ave., Los Angeles, Calif. **Underwriter**—Reese, Scheftel & Co., Inc., New York City.

Western Land Trust Fund
March 30, 1961 filed 200,000 shares of beneficial interest in the Fund. **Price** — $10 per share. **Business** — A closed-end real estate investment trust. **Proceeds**—For investment. **Office**—1031 First Western Bldg., Oakland, Calif. **Underwriter**—To be named.

● Willer Color Television System, Inc.
Jan. 29, 1961 (letter of notification) 80,890 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co.. 39 Broadway, New York City. **Offering**—Indefinite. **Note**—This letter was withdrawn May 2.

Williamhouse, Inc.
March 27, 1961 filed 106,000 shares of common stock. **Price** — $6 per share. **Business** — The manufacture and sale of paper products including envelopes, announcements and advertising materials. **Proceeds**—To repay debt and for working capital. **Office**—185 Kent Avenue, Brooklyn, N. Y. **Underwriter**—Robert L. Ferman & Co., Inc., Miami, Fla.

★ Williams Brothers Co.
May 19, 1961 filed 350,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The construction of pipelines and other aspects of the heavy construction industry. **Proceeds**—For the selling stockholders. **Office**—National Bank of Tulsa Building, Tulsa, Okla. **Underwriter**—Reynolds & Co., Inc., New York City (managing).

● Wilshire Insurance Co.
Feb. 17, 1961 filed 187,000 shares of common stock (par $2) being offered for subscription by stockholders on the basis of one new share for each share held of record April 14, with rights to expire June 16. **Price**—$5 per share. **Business**—The writing of workmen's compensation, common carrier liability and automobile (physical damage) insurance. **Proceeds**—To increase capital funds. **Office**—5413 West Washington Boulevard, Los Angeles, Calif. **Underwriter**—None.

Wolf Corp.
Feb. 15, 1961 filed 30,000 shares of class A tock. **Price**—$10 per share. **Business**—The company was organized under Delaware law in January 1961 and proposes to engage in the construction, investment and operation of real estate properties. **Proceeds**—For investment and working capital. **Office** — 10 East 40th St., New York City. **Underwriter**—None.

Wonderbowl, Inc.
Feb. 6, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—To discharge a contract payable, accounts payable, and notes payable and the balance for working capital. **Office**—7805 Sunset Blvd., Los Angeles, Calif. **Underwriter**—Standard Securities Corp., Los Angeles, Calif.

● World Color Press, Inc.
May 16, 1961 filed 218,000 shares of common stock of which 203,000 shares will be offered to the public and 15,000 shares to employees. **Price**—To be supplied by amendment. **Business**—The printing of magazines and newspapers. **Proceeds**—To selling stockholders. **Office**—420 DeSoto Ave., St. Louis Mo. **Underwriters**—Scherck, Richter Co., and Dempsey-Tegeler & Co., both of St. Louis, Mo. (managing).

Wrather Corp.
March 29, 1961 filed 350,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The company manufactures and sells Stephens power and sail boats, and various marine and sporting goods manufactured by others. It also plans to acquire the stock of Muzak Corp., Wrather Hotels, Inc., Wrather Realty Corp., Stephens Marine, Inc., and various television film properties. **Proceeds** — For construction, repayment of debt and working capital. **Office** — 270 North Canon Drive., Beverly Hills, Calif. **Underwriter**—Lee Higginson Corp., New York City (managing). **Offering**—Expected in early June.

Youngwood Electronic Metals, Inc.
April 13, 1961 filed 75,000 shares of common stock. **Price**—$4 per share. **Business**—The design, development and manufacture of precision parts or stampings principally used in the semi-conductor industry. **Proceeds**—For the repayment of debt; inventory; research and development, and working capital. **Office**—204 North Fifth Street, Youngwood, Pa. **Underwriters** — Bruno-Lenchner, Inc., Pittsburgh and Amos Treat & Co., New York City. **Offering**—Expected in June.

Yuscaran Mining Co.
May 6, 1960 filed 1,000,000 shares of com. stock. **Price**—$1 per share. **Proceeds**—It is expected that some $100,000 will be used to purchase and install a mill for the processing of ore; $60,000 for rails, ties, rail cars and related equipment; $10,000 for rebuilding roads; $30,000 for transportation equipment; and $655,000 for working capital. **Office**—6815 Tordera St., Coral Gables, Fla. **Underwriter**—None. **Note**—The SEC has challenged the accuracy and adequacy of this statement. On May 4, 1961, the company reported that it was negotiating a merger with another company and that financing plans have been indefinitely postponed.

Prospective Offerings

A. T. U. Productions, Inc.
March 15, 1961, it was reported that this company plans a "Reg. A" filing covering 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To finance production of TV films. **Office** — 130 W. 57th Street, New York City. **Underwriter**—Marshall Co., 40 Exchange Place, New York City.

★ Alabama Great Southern RR (6/28)
May 24, 1961 it was reported that this road plans to file a financing plan with the ICC on or about June 12 covering the proposed issuance of $5,500,000 of mortgage bonds. **Offices**—Birmingham, Ala., and 70 Pine St., New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; First Boston Corp. **Bids**—Expected to be received on June 28.

Alamo Gas Supply Co.
Jan. 24, 1961 it was reported that this company is negotiating for the sale of about $18,000,000 to $20,000,000 of bonds. Proceeds—For expansion of facilities. Office—San Antonio, Tex. Underwriters — White, Weld & Co., New York City and Underwood, Neuhaus & Co., Inc., Houston, Tex.

All American Airways Co.
May 1, 1961 it was reported that a "Reg. A" will be filed shortly covering 75,000 shares of common stock. **Price**—$4 per share. **Office**—Danbury, Conn. **Underwriter**—Edward Lewis Co. Inc., New York City (managing).

American Export Lines, Inc.
May 3, 1961 it was reported that this company plans to sell $18,400,000 of government insured merchant marine bonds due Sept. 1, 1985. **Business**—The company operates passenger and cargo vessels between New York City and the Great Lakes to the Mediterranean and Red Sea Ports, India and Burma. **Proceeds**—To cover 75% of the cost of four new vessels now under construction. **Office**—39 Broadway, New York City. **Underwriter**—Kuhn, Loeb & Co., New York City.

American Missiltronics, Inc.
May 10, 1961 it was reported that this corporation is planning to register shortly 125,000 shares of common stock. **Price**—$4 per share. **Business**—The issuing firm is a holding company for Jersey Packing Co. and a closed-circuit television camera manufacturer. **Proceeds**—For general corporate purposes, including the production of the TV camera. **Offices**—136 Orange St. and 49 Edison Place, both in Newark, N. J. **Underwriter**—T. M. Kirsch & Co., New York City.

Appalachian Power Co.
Feb. 1, 1961 it was reported that this subsidiary of American Electric Power Co., Inc., plans to sell $35,000,000 to $40,000,000 of bonds late in 1961 or early in 1962. **Office**—2 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co. and Eastman Dillon, Union Securities & Co. (jointly).

★ Audio-Visual Teaching Machines, Inc.
May 24, 1961 it was reported that a "Reg. A" will be filed shortly covering 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The manufacture and distribution of teaching machines, language laboratories and program texts. **Proceeds**—For expansion. **Office**—Suite 405, 1025 Connecticut Ave., N. W., Washington, D. C. **Underwriters**—To be named.

● Automatic Canteen Co. of America (6/30)
May 17, 1961 it was reported that this company plans to offer stockholders the right to subscribe to about $20,000,000 of convertible subordinated debentures on the basis of $100 principal amount of debentures for each 32 common shares held of record about June 30. **Office**—222 Merchandise Mart Plaza, Chicago, Ill. **Underwriter**—Glore, Forgan & Co., New York City (managing).

Baltimore Gas & Electric Co. (6/14)
May 15, 1961, F. E. Rugemer, Treasurer, stated that the company plans to issue $20,000,000 of non-convertible debentures in June. **Office** — Lexington and Liberty

Streets, Baltimore 3, Md. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and First Boston Corp. (jointly); Harriman Ripley & Co., Inc. and Alex. Brown & Sons (jointly). **Bids** — To be received on June 14.

Baltimore Gas & Electric Co.
May 15, 1961 it was reported that this company plans to issue about $20,000,000 of first mortgage bonds in late 1961 or early 1962. **Office** — Lexington and Liberty Streets, Baltimore 3, Md. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co., and First Boston Corp. (jointly); Harriman Ripley & Co., Inc., and Alex. Brown & Sons (jointly).

Brockton Edison Co.
May 3, 1961 it was reported that this subsidiary of Eastern Utilities Associates is considering the refinancing of its $3,000,000 outstanding preferred with $4,000,000 of a lower dividend issue. **Office**—36 Main Street, Brockton, Mass. **Underwriters**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Kuhn, Loeb & Co., and Stone & Webster Securities Corp.

Caldor, Inc.
March 15, 1961 it was reported that a full filing will be made soon covering an undisclosed number of common shares. **Price**—$5 per share. **Business**—Operates a chain of discount stores in Northern Westchester and Connecticut. **Office**—Riverside, Conn. **Underwriter**—Ira Haupt & Co., New York City (managing). **Registration**—Temporarily postponed.

• California Electric Power Co. (7/12)
May 24, 1961 it was reported that this company plans to sell $8,000,000 of first mortgage bonds due 1991. **Proceeds**—For the repayment of bank loans. **Office**—2885 Foothill Blvd., San Bernardino, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—To be received on July 12 at 9 a.m. (PST) at the office of O'Melveny & Myers, Room 900, 433 South Spring St., Los Angeles, Calif.

Canada Dry Corp.
May 16, 1961 it was reported that this company plans to offer stockholders the right to subscribe to an undisclosed amount of debentures. An SEC registration statement is expected to be filed in June and the anticipated record date for those entitled to subscribe is July 11. **Business**—The manufacture and distribution of carbonated and alcoholic beverages, extracts and syrups in the U. S. and Canada. **Office** — 100 Park Ave., New York City. **Underwriter**—To be named. The last rights offering (of common stock) on Aug. 25, 1958 was underwritten by Eastman Dillon, Union Securities & Co., Hornblower & Weeks, and Winslow Cohu & Stetson, all of New York City.

Carbonic Equipment Corp.
Dec. 8, 1960 it was reported that a full filing of about $300,000 of units, consisting of common stock, bonds and warrants will be made. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter**—R. F. Dowd & Co., Inc.

Caxton House Corp.
Jan. 24, 1960 it was reported that a full filing of this company's stock, constituting its first public offering, will be made. **Price**—Approximately $3 per share. **Business**—Book publishing. **Office**—9 Rockefeller Plaza, New York City. **Underwriter**—To be named.

Central Louisiana Electric Co., Inc.
Feb. 21, 1961 it was reported that the company is considering the issuance of $6,000,000 of bonds or debentures in the latter part of 1961. **Office** — 415 Main St., Pineville, La. **Underwriters**—To be named. The last issue of bonds on April 21, 1959 was bid on by Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc. (jointly); Salomon Bros. & Hutzler, and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.

Cincinnati Gas & Electric Co.
Feb. 16, 1961 it was stated in the company's 1960 annual report that this utility plans to sell both first mortgage bonds and common stock in 1962 to finance its $45,000,000 construction program. **Office**—Fourtin & Main Sts., Cincinnati, O. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Lehman Brothers (jointly); Morgan Stanley & Co. and W. E. Hutton & Co. (jointly); Blyth & Co., Inc., and First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co., and White, Weld & Co. (jointly). The last issue of common stock (81,510 shares) was sold privately to employees in August, 1960.

Colorado Interstate Gas Co.
Oct. 17, 1960 it was reported by Mr. A. N. Porter of the company's treasury department that the company is awaiting a hearing before the full FPC with reference to approval of its application for expansion of its system, which will require about $70,000,000 of debt financing which is expected in the latter part of 1961. **Proceeds**—For expansion. **Office**—P. O. Box 1087, Colorado Springs, Colo.

Columbus & Southern Ohio Electric Co.
March 13, 1961 it was reported the company will sell about $10,000,000 additional common stock in late 1961. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio. **Underwriter**—Dillon, Read & Co

Commonwealth Edison Co.
Jan. 10, 1961 it was reported that this company plans to sell $30,000,000 of bonds in the second quarter of 1961. **Office**—72 W. Adams Street, Chicago, Ill. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Kidder, Peabody & Co.; White, Weld & Co.; Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

Consolidated Edison Co. of New York, Inc.
May 16, 1961, H. C. Forbes, chairman, stated that the company must issue almost $100,000,000 of securities in late 1961 and early 1962. He added that if the company decides to issue any of the 1,000,000 shares of cumulative preference stock approved by shareholders at the May 15 annual meeting, it will be on the basis of convertibility into common with subscription rights to common shareholders. **Office**—4 Irving Place, New York City. **Underwriter**—To be named. The last rights offering to stockholders (of debentures) on Jan. 28, 1959 was underwritten by Morgan Stanley & Co., and First Boston Corp., both of New York City. The last sale of bonds on Nov. 23, 1960 was handled by First Boston Corp., and Halsey, Stuart & Co., Inc. (jointly). Morgan Stanley & Co., also bid competitively on this issue.

• Consumers Power Co. (8/15)
May 24, 1961 it was reported that this company plans to sell $40,000,000 of first mortgage bonds in August. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriter** — To be determined by competitive bidding. Probable bidders Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Harriman Ripley & Co., and First Boston Corp. (jointly); Morgan Stanley & Co. **Bids**—Expected to be received about August 15.

Cosmetic Chemicals Corp.
May 10, 1961 it was reported that this firm expects to register 100,000 shares of 1¢ par common stock. **Price**—$4 per share. **Business** — The firm manufactures perfumes, cosmetics, and hair dyes. **Proceeds**—For general corporate purposes. **Office**—5 East 52nd St., New York City. **Underwriter**—Nance-Kieth Corp., 99 Wall St., New York 5, N. Y.

Cosmetically Yours, Inc.
May 16, 1961 it was reported that this corporation is contemplating a public offering. **Business**—The manufacturing and sale of cosmetics. **Office** — 15 Clinton Street, Yonkers, N. Y. **Underwriter**—P. J. Gruber & Co., Inc., New York City.

Cowles Magazine & Broadcasting, Inc.
May 3, 1961 it was reported that this corporation will issue stock later this year. The firm denied the report. **Business** — Publishing and allied fields. **Office** — 488 Madison Ave., New York City. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

Dallas Airmotive, Inc.
May 10, 1961 it was reported that a registration statement will be filed shortly covering 390,000 shares of this company's common stock, of which 40,000 outstanding shares will be offered for the account of selling stockholders and 350,000 shares for the company. **Price**—About $5.50 per share. **Office**—Dallas, Tex. **Underwriter**—Eppler, Guerin & Turner, Inc., Dallas, Tex.

Empire Fund, Inc.
March 8, 1961 it was reported that the Federal Internal Revenue Service had granted this fund's application for approval of a tax free exchange of shares for Corporate Securities. It is expected that a registration statement covering this "centennial-type" fund will be filed with the SEC shortly. **Office**—Pittsburgh, Pa.

Exploit Films, Inc.
March 8, 1961 it was reported that this company plans a full filing covering 100,000 common shares. **Price**—$5 per share. **Proceeds**—For the production of TV and motion picture films, the reduction of indebtedness, and for working capital. **Office**—619 W. 54th Street, New York City. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City (managing).

Fashion Flair Stores, Inc.
April 27, 1961 it was reported that this company plans shortly a "Reg. A" covering 86,350 shares of common stock. **Price**—$3 per share. **Business**—The discount sale to consumers of women's dresses and sportswear. **Proceeds**—For general corporate purposes. **Office**—53 West 36th St., New York City. **Underwriters**—Ronwin Securities Corp., Staten Island, N. Y., and Security Options Corp., New York City.

First National Bank of Toms River (N. J.)
March 22, 1961 it was reported that stockholders voted on this date to increase the authorized stock to provide for payment of a 66⅔% stock dividend and sale of 20,000 new shares of common (par $5) to stockholders on the basis of one new share for each 20 shares held of record July 17, with rights to expire Aug. 17. **Price**—About $22 per share. **Proceeds**—To increase capital. **Office**—Toms River, N. J. **Underwriter**—None.

Gabriel Co.
April 27, 1961, the company announced plans to form a new subsidiary, Rocket Power, Inc., by merging the present Rocket Power, Talco and Bohanan divisions. In the fall of 1961, stock of the new subsidiary would be offered through subscription rights to Gabriel stockholders and debenture holders with about 20% of the offering going to the public. **Office** — 1148 Euclid Avenue, Cleveland, Ohio. **Underwriters**—To be named. The last financing by the company in September, 1959, was handled by Carl M Loeb, Rhoades & Co., New York City and Prescott, Shepard & Co., Inc., Cleveland.

• General Telephone Co. of California
Feb. 1, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp. plans to sell about $20,000,000 of bonds in December 1961. **Office** — 2020 Santa Monica Blvd., Santa Monica, Calif. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp. and Equitable Securities Corp. (jointly); White, Weld & Co. and Kidder, Peabody & Co. (jointly); Paine, Webber, Jackson & Curtis, and Stone & Webster Securities Corp.

General Telephone Co. of Florida
Feb. 8, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp., expects to offer about $15,000,000 of bonds in November. **Office** — 610 Morgan St., Tampa, Fla. **Underwriters**—Stone & Webster Securities Corp., and Paine, Webber, Jackson & Curtis, both of New York City.

Georgia Power Co. (10/18)
Dec. 29, 1960 this subsidiary of the Southern Co., applied to the Georgia Public Service Commission for permission to issue $15,500,000 of 30-year first mortgage bonds, and $8,000,000 of new preferred stock. **Proceeds**—For construction, plant modernization or refunding of outstanding debt. **Office**—Electric Bldg., Atlanta 3, Ga. **Underwriters** — To be determined by competitive bidding. Previous bidders for bonds included Harriman Ripley & Co., Inc.; Lehman Brothers; Blyth & Co., Inc., Kidder, Peabody & Co., and Shields & Co. (jointly); First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp., Eastman Dillon, Union Securities & Co. (jointly). Previous bidders for preferred were First Boston Corp., Lehman Brothers, Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; and Equitable Securities Corp. **Bids**—Expected to be received on Oct. 18.

Gluckin (Wm.) & Co., Inc.
April 19, 1961 it was reported that this subsidiary of Essex-Universal Corp., plans to sell about 200,000 common shares. **Business**—Manufactures and sells women's foundation garments. **Underwriter**—To be named.

Gulf Power Co. (12/7)
Jan. 4, 1960 it was reported that this subsidiary of The Southern Co., plans to sell $5,000,000 of 30-year bonds. **Office**—75 North Pace Blvd., Pensacola, Fla. **Underwriter**—To be determined by competitive bidding. Previous bidders included Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler and Drexel & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on Dec. 7, 1961.

Hawaiian Telephone Co.
March 8, 1961 it was reported that this company plans to sell about $5,000,000 of common stock to stockholders through subscription rights later this year. **Office**—1130 Alakea Street, Honolulu 13, Hawaii. **Underwriter**—None.

Houston Fearless Corp.
Feb. 27, 1961, Barry J. Shillito, President, stated that the company plans to expand its Western Surgical and Westlab divisions into a new national medical and hospital supply concern. He added that 80% of the new firm's stock would be retained by Houston and the remaining 20% sold to the public. **Office** — 11801 W. Olympic Blvd., Los Angeles 64, Calif.

Illinois Terminal RR.
Jan. 16, 1961 it was reported that this company plans the sale later this year of about $8,500,000 of first mortgage bonds. **Office**—710 North Twelfth Blvd., St. Louis, Mo. **Underwriter**—Halsey, Stuart & Co. Inc., Chicago.

Industrial Gauge & Instrument Co.
Oct. 5, 1960 it was reported that 100,000 shares of common stock will be filed. **Proceeds** — Expansion of the business, and for the manufacture of a new product by a subsidiary. **Office**—1947 Broadway, Bronx, N. Y. **Underwriter**—R. F. Dowd & Co. Inc.

International Parts Corp.
April 17, 1961 it was reported that a registration will be filed shortly covering an undisclosed number of outstanding common shares. **Business**—Manufactures automobile equipment and parts. **Office**—Chicago, Ill. **Underwriter**—H. M. Byllesby & Co., Chicago (managing).

• Interstate Department Stores, Inc.
May 24, 1961 it was reported that stockholders voted to increase the authorized common to provide for a 3-for-1 stock split of outstanding shares. The additional shares will be distributed June 23 to holders of record May 29. It was also stated that the company is considering financing to provide additional funds to expand discount store operations. **Office** — 111 Eighth Ave., New York City.

John's Bargain Stores Corp.
May 17, 1961 it was reported that this company plans to file a registration statement shortly covering an undisclosed number of common shares. **Business**—The operation of a chain of discount stores selling household goods. **Office**—1200 Zerega Ave., Bronx, N. Y. **Underwriter**—To be named.

Louisville & Nashville RR (5/25)
April 25, 1961 it was reported that this company plans to sell about $5,300,000 of equipment trust certificates. **Office**—71 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—To be received on May 25 at noon (DST).

Masters Inc.
Jan. 6, 1961 it was reported that this corporation is contemplating its first public financing. **Business**—The operation of a chain of discount houses. **Office**—135-21 38th Avenue, Flushing 54, L. I., N. Y.

Metropolitan Food Co.
April 12, 1961 it was reported that this company plans to sell 100,000 common shares. **Price** — $5 per share. **Business** — Food distribution. **Proceeds** — For working capital. **Office** — 45-10 Second Ave., Brooklyn, N. Y. **Underwriters**—Brand, Grumet & Siegel, and Kesselman & Co., Inc., New York City (managing).

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★ Micro-Lectric, Inc.
May 23, 1961 it was reported that this company plans to file a registration statement shortly covering 55,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The manufacture and design of potentiometers used in computers, ground control guidance systems and missiles. **Proceeds**—For general corporate purposes. **Office**—Roosevelt, L. I., N. Y. **Underwriter**—Underhill Securities Corp., 19 Rector St., New York City.

Mississippi Power Co. (9/28)
Jan. 4, 1961 it was reported that this subsidiary of The Southern Co., plans to sell publicly $5,000,000 of 30-year bonds and $5,000,000 of preferred stock (par $100). Proceeds—For construction and expansion. Office—2500 14th St., Gulfport, Miss. Underwriter—To be determined by competitive bidding. Previous bidders for bonds were Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. Previous bidders for preferred stock included Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly). Bids—Expected to be received on Sept. 28.

Missouri Utilities Co.
April 11, 1961 it was reported that this company plans to sell about 50,000 additional common shares to stockholders in September or October on a 1-for-10 rights basis. **Office**—400 Broadway, Cape Girardeau, Mo. **Underwriter**—To be named. The last five rights offerings to stockholders were underwritten by Edward D. Jones & Co., St. Louis.

Mite Corp.
April 27, 1961 it was reported that this company, recently formed through a merger of Teleprinter Co., and Grist Manufacturing Co., plans to sell about 400,000 shares of common stock to raise approximately $5,000,000. **Office**—446 Blake St., New Haven, Conn.. **Underwriter**—Charles W. Scranton & Co., New Haven.

Modern Home Construction Co.
April 18, 1961 it was reported that this company is considering a public offering of securities, but the details have not yet been decided upon. **Office**—Valdosta, Ga. **Underwriter**—Harriman Ripley & Co., New York City.

Monterey Gas Transmission Co.
April 24, 1961 it was reported that Humble Oil & Refining Co., a subsidiary of Standard Oil Co. of New Jersey, and Lehman Brothers, had formed this new company to transport natural gas from southwest Texas to Alexandria, La., for sale to United Fuel Gas Co., principal supplier to other Columbia Gas System companies. It is expected that the pipeline will be financed in part by public sale of bonds. **Underwriter** — Lehman Brothers, New York City (managing).

National Airlines, Inc.
May 8, 1961, it was reported that the CAB had approved the company's plan to sell publicly 400,000 shares of Pan American World Airway's Inc., subject to final approval of the Board and the SEC. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each others jet planes during thier respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Price** — About $20 per share. **Proceeds**—To repay a $4,500,000 demand loan, and other corporate purposes. **Office**—Miami International Airport, Miami 59, Fla. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

National Hospital Supply Co., Inc.
May 1, 1961 it was reported that a "Reg. A" will be filed shortly covering 100,000 shares of common stock. **Price** —$3 per share. **Business**—The distribution of medical equipment. **Office**—38 Park Row, New York City. **Underwriter** — Edward Lewis Co. Inc., New York City (managing).

National Semi-Conductor Co.
April 18, 1961 it was reported that this company plans to file a registration statement shortly covering an undisclosed number of common shares. **Office**—Danbury, Conn. **Underwriters**—Lee Higginson Corp., New York City and Piper, Jaffray & Hopwood, Minneapolis, Minn.

Northern States Power Co. (8/8)
Jan. 10, 1961 it was reported that this company plans to sell $20,000,000 of bonds in the third quarter of 1961. Offices—15 So. La Salle Street, Chicago 4, Ill.; 15 So. Fifth Street, Minneapolis 2, Minn.; 111 Broadway, New York 6, N. Y. Underwriters — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp. and Blyth & Co.. Inc. (jointly). Bids—Expected to be received on Aug. 8.

• Pacific Gas & Electric Co. (6/13)
May 23, 1961 it was reported that this company plans to offer 896,470 common shares to stockholders on the basis of one share for each 20 shares held of record June 13, with rights to expire July 5. **Office**—245 Market St., San Francisco 6, Calif. **Underwriter**—Blyth & Co., Inc., New York City.

Pacific Lighting Corp.
Jan. 3, 1961 it was reported by Paul A. Miller, Treasurer that the company will probably go to the market for $30,000,000 to $50,000,000 of new financing in 1961 and that it probably would not be a common stock offering. Office—600 California Street, San Francisco 8, Calif.

Pacific Telephone & Telegraph Co.
March 24, 1961 stockholders of this A. T. & T. subsidiary approved a plan to form a new company to be known as the Pacific Northwest Bell Telephone Co. The new concern will acquire the business and properties of the Pacific Telephone-Northwest division which operates in Washington, Oregon, and Idaho. All of the stock of the new company will be owned by Pacific Telephone but "as soon as practicable" it will be offered for sale to Pacific Telephone stockholders at a price to be fixed by the Board of Directors. About 6-9 months after the stock sale, Pacific Northwest will sell debentures publicly to repay a portion of its debt. Office—140 New Montgomery St., San Francisco, Calif. Underwriter—The last offering of common stock to shareholders on Feb. 25, 1960 was not underwritten. However, A. T. & T., which owns over 90% of the outstanding shares, exercised its rights to subscribe to its pro rata share of the offering. The last sale of debentures by Pacific Telephone on Feb. 17, 1960 was underwritten by Halsey Stuart & Co., Inc. The one other competitive bid on issue was made by Morgan Stanley & Co.

Packer's Super Markets, Inc.
May 10, 1961 it was reported that this company plans to file a registration statement covering about 100,000 shares of common stock. **Business**—The operation of a chain of supermarkets. **Office**—7420 3rd Ave., Brooklyn, N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., New York City.

Pan American World Airways, Inc.
May 8, 1961 it was reported that the CAB ordered this company to sell its 400,000 share holdings of National Airlines, Inc., and to file a plan of sale with the board within 30 days. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each other's jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Office**—135 East 42nd St., New York City. **Underwriter**—To be named.

Public Service Co. of Colorado
Dec. 2, 1960, W. D. Virtue, treasurer, stated that company plans the sale of about $20,000,000 of common stock to be offered stockholders through subscription rights in mid-1961. **Proceeds**—For expansion. **Office**—900 15th St., Denver, Colo. **Underwriter** — Last equity financing handled on a negotiated basis by First Boston Corp.

★ Redwing Carriers, Inc.
May 23, 1961 it was reported that this company plans to file a plan with the ICC covering a proposed sale by certain stockholders of $1,500,000 to $2,000,000 of common stock. **Business**—A truck, tank car transporter. **Proceeds**—For the selling stockholders. **Office**—Tampa, Fla. **Underwriter**—Beil & Hough, Inc., St. Petersburgh, Fla. **Offering**—Expected about mid-August.

Rochester Gas & Electric Corp. (9/27)
Jan. 24, 1961 the company stated it plans to issue about $15,000,000 of 30-year bonds in September. **Proceeds**—For construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly): Blyth & Co., Inc.; The First Boston Corp. **Bids**—To be received about Sept. 27.

Rowan Controller Co.
May 10, 1961 it was reported that this company is planning to sell 50,000 additional common shares. **Office**—2313 Homewood Ave., Baltimore, Md. **Underwriter**—Stein Bros. & Boyce, Baltimore.

Sel-rex Corp.
May 16, 1961 it was reported that this firm is contemplating its first public financing. **Business** — Precious metals manufacturing. **Office**—75 River Road, Nutley, N. J. **Underwriter**—To be named.

★ Southern California Edison Co.
May 23, 1961 it was reported that this company will need an additional $35,000,000 to finance its 1961 construction program. No decision has yet been made as to whether the funds will be raised by bank loans, or the sale of preferred stock or bonds. **Office**—601 West Fifth St., Los Angeles, Calif. **Underwriter**—To be named. The last sale of preferred stock on May 12, 1948 was handled on a negotiated basis by First Boston Corp., New York City and associates. The last sale of bonds in April 1961 was bid on by Blyth & Co.; First Boston Corp., Dean Witter & Co. (jointly); Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., Equitable Securities Corp. (jointly).

★ Spectron, Inc.
May 23, 1961 it was reported that this company, a successor to F. Hastings Stephens Laboratories, Inc., plans to sell 85,000 shares of class A common stock. **Price**—$4.50 per share. **Business**—The manufacture of TV transmission and other electronics equipment. **Proceeds**—For equipment, and working capital. **Office**—9001 S. W. 64th Court, S. Miami, Fla. **Underwriter**—Hampstead Investing Corp., New York City. **Registration**—Expected in mid-June.

Sterile Medical Products, Inc.
May 15, 1961 it was reported that this firm plans to file 120,000 shares of 10c par common stock. **Price**—$2.50 per share. **Proceeds** — For general corporate purposes. **Office** — 434 Buckelew Ave., Jamesburg, N. J. **Underwriter** — Louis R. Dreyling & Co., Inc., 25 Livingston Ave., New Brunswick, N. J. **Offering**—Expected in July or August.

★ Tennessee Valley Auhority (6/28)
May 24, 1961, it was reported that this U. S. Government body plans to sell $50,000,000 of bonds. **Office**—Knoxville, Tenn. **Underwriters**—To be determined by competitive bidding. Probable bidders: The Chase Manhattan Bank, Morgan Guaranty Trust Co. of New York, Chemical Bank New York Trust Co., C. J. Devine & Co., all of New York City and the Northern Trust Co., Chicago; Blyth & Co., Inc.; Halsey, Stuart & Co. Inc.; The First Boston Corp. **Bids**—To be received in New York City on June 28.

Texas Gas Transmission Corp.
Jan. 11, 1961 it was reported that this company plans to sell $10,000,000 to $15,000,000 of bonds in the third quarter of 1961. Office—416 West Third Street, Owensboro, Ky. Underwriter—Dillon, Read & Co., New York City.

Thorough-Bred Enterprises, Inc.
March 16, 1961 it was reported that this company plans to sell 85,000 shares of common stock (par 10 cents). Price — $4 per share. Business — Operates a breeding farm for thoroughbred horses. Proceeds—For building a barn, purchasing land and acquiring additional horses. Office—Biscayne Boulevard, Miami, Fla. Underwriter—Sandkuhl Company, Inc., Newark, N. J., and New York City.

★ Trinity Funding Corp.
May 23, 1961 it was reported that a registration statement will be filed shortly covering 250,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Business**—A consumer and industrial finance company. **Proceeds** — For additional working capital. **Office** — 1107 Broadway, New York City. **Underwriter**—Trinity Securities Corp., 40 Exchange Place, New York City. **Offering**—Expected in early July.

Trunkline Gas Co.
March 8, 1961 it was reported that this subsidiary of Panhandle Eastern Pipe Line Co., expects to sell about $50,000,000 of bonds or preferred stock in September. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

• Union Electric Co.
May 24, 1961 it was reported that this company plans to raise $30,000,000 of new money this summer by debt financing or sale of preferred stock. **Proceeds**—For expansion. **Office**—315 N. 12th Blvd., St. Louis 1, Mo. **Underwriters**—To be determined by competitive bidding. Probable bidders: (Preferred) First Boston Corp.; Dillon Read & Co. Inc.; Lehman Brothers; White, Weld & Co.; Blyth & Co., Inc.; Kuhn, Loeb & Co.; Harriman Ripley & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc. (Bonds) First Boston Corp.; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., and Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers and Bear, Stearns & Co. (jointly).

United Aircraft Corp.
Feb. 15, 1961 it was reported that this company is considering issuance of $50,000,000 of bonds to replace a seven-year term loan. Office—400 Main St., East Hartford, Conn. Underwriter—To be named. The company has never issued bonds, but its last offering of preferred stock on Sept. 17, 1956 was underwritten by Harriman Ripley & Co., Inc., New York and associates.

Universal Publishing & Distributing Corp.
May 10, 1961 it was reported that this company is considering the issuance of common stock. **Business**—Magazine publishing. **Office**—117 E. 31st Street, New York City. **Underwriter**—Allen & Co., New York City.

Valley Title & Trust Co.
May 15, 1961 it was reported that this company plans to register 120,000 shares of 10c par common stock. **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office**—1001 North Central Ave., Phoenix, Ariz. **Underwriter** — Louis R. Dreyling & Co., Inc., 25 Livingston Ave., New Brunswick, N. J. **Offering**—Expected by August or September.

Virginia Electric & Power Co. (12/5)
March 23, 1961, the company announced plans to sell $15.000,000 of securities, possibly bonds or debentures. **Office** — Richmond 9, Va. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Brothers & Hutzler; Goldman, Sachs & Co. **Bids**—To be received on Dec. 5, 1961.

West Coast Telephone Co.
April 11, 1961 it was stated in the 1960 annual report that the company plans to spend $12,000,000 for new construction in 1961, most of which is expected to be raised by the sale of securities. Office—1714 California St., Everett, Wash. Underwriter—To be named. The last sale of bonds and preferred stock in May and July 1960 was done privately. The last sale of common on Sept. 16, 1960 was underwritten by Blyth & Co., Inc., New York City.

Western Union Telegraph Co.
Feb. 28, 1961 it was reported that the FCC has approved the company's plan to transfer its Atlantic cable system to a newly organized company, Western Union International, Inc. The plan provides for the issuance by Western Union International of about $4,000,000 of subordinated debentures and 400,000 shares of class A stock to be offered to stockholders of Western Union Telegraph Co. in units of $100 of debentures and 10 shares of stock. In addition, American Securities Corp., New York City, would purchase from Western Union International about 133,000 additional shares of class A stock giving American Securities ownership of approximately 25% of the outstanding class A stock of WUI. Then Western Union Telegraph woud purchase 250,000 shares of class B stock for $100,000 and WUI would sell $4,500,000 of debentures or bonds. **Office** — 60 Hudson Street, New York City. **Underwriter**—American Securities Corp. (managing).

Con. Natural Gas Debs. Offered

A nationwide underwriting group headed by Morgan Stanley & Co. and The First Boston Corp. is offering for public sale today (May 25) a new issue of $40,000,000 Consolidated Natural Gas Co. 4¾% debentures due May 1, 1986. The debentures are priced at 100.73% and accrued interest to yield approximately 4.70% to maturity. The issue was awarded to the group at a competitive sale on May 24 on its bid of 99.912% which named the 4¾% coupon.

Proceeds from the sale will be used to retire a $30,000,000 construction bank loan and to finance in part the 1961 construction program of the Consolidated System, expected to involve expenditures of about $70,000,000. In February, 1961 the company sold $45,000,000 of debentures to repay a construction bank loan of $25,000,000 and to finance in part the 1961 construction program.

A sinking fund for the debentures commencing in 1966 is calculated to retire 80% of the issue prior to maturity. The sinking fund redemption prices range from 100.65% to the principal amount. Optional redemption prices range from 105.48% to the principal amount.

Consolidated owns all of the outstanding securities, except long term debt of $2,566,000, of six operating companies constituting an interconnected natural gas system engaged in all phases of the natural gas business—production, purchasing, gathering, transmission, storage and distribution. Principal cities served at retail by the public utility subsidiaries are Cleveland, Akron, Youngstown, Canton, Warren and Marietta in Ohio; a section of Pittsburgh, Altoona and Johnstown in Pennsylvania, and Clarksburg and Parkersburg in West Virginia. A pipe line subsidiary, New York State Natural Gas Co., supplies natural gas at wholesale to non-affiliated utilities in New York, Pennsylvania and West Virginia and also to affiliated subsidiaries in Ohio and Pennsylvania.

For the 12 months ended March 31, 1961 total operating revenues on a consolidated basis were $363,123,000 and gross income before income deductions was $39,398,000. For the 1960 calendar year operating revenues were $363,372,000 and gross income $40,028,000.

Long term debt of Consolidated and subsidiary companies outstanding at Dec. 31, 1960 was $226,160,000. Also outstanding were 9,033,808 shares of the company's capital stock of $10 par.

TWA, Inc. Making Rights Offering

May 24, 1961, Trans World Airlines, Inc., offered common stockholders the right to subscribe at par to $111,235,900 of 6½% subordinated income debentures due 1978 and warrants to purchase common stock, on the basis of $100 principal amount of debenture for each six shares held of record May 25. The rights will expire June 8.

TWA of 380 Madison Ave., New York City, will use the proceeds to repay a $100,000,000 6½% interim subordinated note held by Hughes Tool Co., which owns about 78.23% of TWA's outstanding stock. The offering is not being underwritten but Hughes Tool Co., has agreed to purchase such number of debentures as will, with debentures purchased by it and others, provide the company with at least $100,000,000.

Wineman, Weiss To Admit to Firm

Wineman, Weiss & Co., 61 Broadway, New York City, members of the New York Stock Exchange, on June 1 will admit Robert A. White, member of the Exchange, and Philip H. Singer to partnership. Harry S. Graham and Stephen L. Joseph will withdraw from the firm as of May 31.

Spear, Leeds to Admit Partner

Spear, Leeds & Kellogg, 111 Broadway, New York City, members of the New York Stock Exchange, on June 1 will admit James H. Harris to partnership.

Form McCooey, Smith

As of June 1, McCooey, Smith & Co., Incorporated, members of the New York Stock Exchange, will be formed with offices at 111 Broadway, New York City, to engage in a securities business. Officers are Walter J. Smith, President; Robert H. McCooey, Vice-President and Secretary; and John H. McCooey, Vice-President and Treasurer. Mr. Smith and Mr. McCooey, both members of the Exchange, have been active as individual floor brokers.

Now Combined Planning

FLUSHING, N. Y. — Joseph H. Stark, 188-20 Union Turnpike, is now conducting his investment business under the firm name of Combined Planning Company.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — The production techniques of our farmers are so successful that we have too many commercial farmers producing too much food and fibre.

Anyway you look at it there is overproduction, and an oversupply of farmers as a result of a high birthrate on the farm and the decrease in the number of farms as farms get larger and larger. Mechanization has done things that the horse and mule could not do.

High price supports have made things worse instead of better. The storage problems have been growing instead of lessening.

It is because we have a farm problem that agriculturists from all over the country have been kicking the dust and mud and barnyard debris off their shoes, and coming to Washington. Witnesses by the hundreds have testified either before the Senate or House Agriculture Committees or both on the controversial Kennedy Administration bill.

A good many of the witnesses from Illinois and Nebraska to Florida say flatly they would prefer no bill at all to the one now being considered.

Something for All Farmers

The Administration legislation is complicated and far-reaching. For instance, in the future it would let the farmers and the Secretary of Agriculture draft farm legislation instead of Congress.

The omnibus bill is designed to help ease the farm problem, according to Secretary Orville Freeman. It might worsen the problem. Numerous farm bureau leaders maintain that the long bill would make things worse but acknowledge there are some good things in the measure.

On the other hand, the proposal has considerable support in certain sections. Actually, there is something in the bill for every farmer, including low interest rate programs so farmers could build a farm home, barns and lay irrigation systems.

There is some truth to the story that it is not what Congress passes that helps the people but what it does not pass. This might apply to the farm bill.

President Kennedy made a firm promise during the Presidential campaign, both before he got the nomination and afterwards, that he was going to do something to help the farmer raise his income. He and his Administration are trying to fulfill that promise.

Beef Men Reject Controls

The cattle raisers in this country have kept free of controls. They want no part of controls. They feel that free prices makes for a more stable beef industry.

The American National Cattlemen's Association, through Cushman S. Radebaugh, summed up his organization's feeling to Congress the other day with a request that the committees kill all provisions that would bring the beef cattle industry under any form of production or marketing controls, continuing subsidies, or compensatory payments.

A spokesman for the National Livestock Producers Association said the pending bill actually would retard the development of efficient meat production because he maintained it would increase the cost and reduce markets for meat products.

Gov. Jimmie H. Davis of Louisiana said in a message read to the Senate Agriculture committee that the cattlemen of his state do not want any controls of any kind. They just want to be let alone.

Nobody seemed to have the perfect answer on Capitol Hill to the farm problem but there are many opponents of the pending bill on the ground it is a bad bill, as it stands. The measure would expand farmer co-operatives, which they like and which businessmen generally dislike because they have a hard time competing because of the tax differential.

Food Prices to Rise

W. C. Eckles of Fond du Lac., Wis., as spokesman for the Pure Milk Products Co-operative, said his organization regards the bill as the soundest and the finest piece of agricultural legislation ever to come before Congress.

There are some things in this bill that even such well known agriculturists as Henry Wallace and Charles Brennan would not necessarily go along with, according to some students of the bill.

The bill might pass, but it will be riddled with amendments in order to make it palatable. Big-city members of Congress are being counted on to help get it through. If it is passed, food prices are going up and so will the payroll of the Federal government. There would be thousands of field committeemen—a powerful political force.

Meantime, the storage on our surplus wheat continues to rise. It is now estimated it is costing the Federal government $1,400,000 a day to store the wheat.

Too Many Farmers

No one with sound reasoning would object, it would appear, to paying a reasonable amount of storage charges on surplus grains and goods in this country. There is a need for some surplus to take care of what might turn out to be a bad year for food and fibre, but there is no sound need for paying for such tremendous storage costs that are now costing the taxpayers.

There is a low-income problem for most farmers in this country, but a major question is: What is the most feasible method to reduce the number of farmers? Many of them have strong ties in their communities. They love the soil and they love being their own boss, and many are not trained to do other types of work.

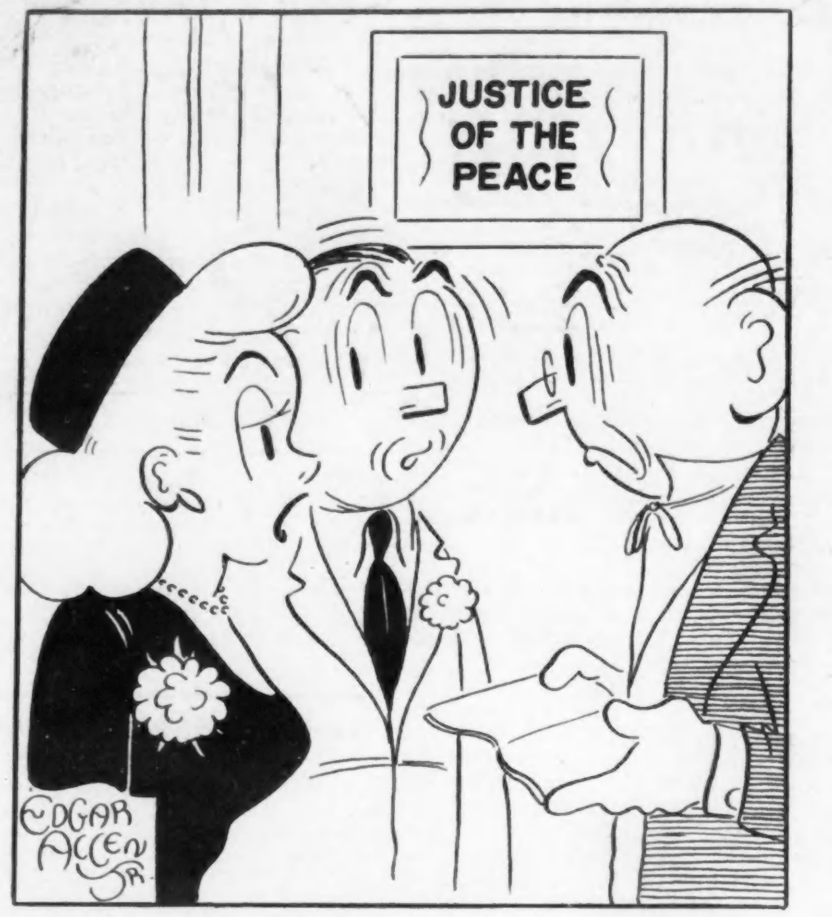
The farming area of the United States has remained around 350,000,000 acres since 1910. Mechanization has made farming much easier. There is not the back-breaking work of a few decades ago, and production is so great today that the production figures would have been unbelievable not too many years ago.

Government purchasing programs in some instances have greatly curtailed domestic consumption. Indicative of this was the statement to Congress a few days ago by Albert Lowenfels, President of the Hotel Bar Butter Co. of New York City. He said the government's butter-purchase program had raised the price of butter out of the reach of many housewives.

A spokesman for the poultry industry, which is a low-income industry, told Congress, in effect, the other day that controls would be a grave error if poultrymen are blanketed under the pending farm bill.

In other words, he is apprehensive that there will be a lot less fried chicken on the tables across the land, just as there is less butter on the tables today, if controls are placed on poultry producers.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]



"Do you think you could change that to 'Debt do us part'?"

Hornblower, Weeks Promotes 3

Hornblower & Weeks, 40 Wall St., New York City, members of the New York Stock Exchange, have announced that John P. Toolan has been appointed manager of the municipal bond department in New York City; Peter C. McCabe, Jr., manager of the municipal bond department of the Chicago office, 134 South La Salle Street; and Donald C. Walsh, manager of the Hartford office, 750 Main Street.

Beckman Branch Opened

TRACY, Calif.—Beckman & Co., Inc. has opened a branch office at 24 West 11th Street, under the management of Vernon D. Fleck.

COMING EVENTS

IN INVESTMENT FIELD

May 25, 1961 (St. Louis, Mo.)
Security Traders Club of St. Louis outing at Sunset Country Club.

May 26-30, 1961
Bond Club of Virginia outing at Castle Harbour Hotel, Bermuda.

June 2, 1961 (Chicago, Ill.)
Bond Club of Chicago field day at Knollwood Club, Lake Forest, Ill.

June 2, 1961 (Connecticut)
Security Traders Association of Connecticut annual summer outing at Race Brook Country Club, Orange, Conn.

June 2, 1961 (New York City)
Bond Club of New York annual outing at Sleepy Hollow Country Club.

June 2, 1961 (Philadelphia, Pa.)
Philadelphia Securities Association annual outing at Aronimink Golf Club, St. Davids Road, Newtown Square, Pa.

June 7-11 (Ponte Vedra, Fla.)
Southern Group of Investment Bankers Association meeting.

June 8, 1961 (Cedar Rapids, Iowa)
Iowa Investment Bankers Association annual Field Day at the Cedar Rapids Country Club (preceded June 7 by a cocktail party and dinner reception at the Roosevelt Hotel).

June 8, 1961 (New York City)
STANY Bowling League annual dinner at Whyte's, 344 West 57th Street.

June 9, 1961 (Philadelphia, Pa.)
Investment Association of Philadelphia annual outing at the Philadelphia Cricket Club, Flourtown, Pa.

June 9, 1961 (New York City)
Municipal Bond Club of New York annual meeting and outing at the Westchester Country Club, Rye, N. Y.

June 9-11, 1961 (San Francisco, Calif.)
San Francisco Security Traders Association annual Spring Outing at the Sacramento Inn, Sacramento, Calif.

June 12-13, 1961 (Montreal, Canada)
Association of Canadian Schools of Commerce and Business Administration Fifth Annual Conference at Sir George Williams University, Montreal.

June 14-15, 1961 (Minneapolis-St. Paul, Minn.)
Twin City Bond Club 40th annual outing at the White Bear Yacht Club, White Bear Lake, Minn. June 15; preceded by a cocktail party June 14 at the Nicollet Hotel, Minneapolis.

June 16, 1961 (New York City)
Investment Association of New York annual outing at Sleepy Hollow Country Club.

June 15-16, (Kansas City, Mo.)
Kansas City Security Traders Association summer party—cocktail party June 15 at Hotel Continental; outing June 16 at Meadowbrook Country Club.

June 16, 1961 (New Jersey)
Bond Club of New Jersey spring outing at Upper Montclair Golf & Country Club.

June 17, 1961 (Milwaukee, Wis.)
Milwaukee Bond Club annual outing at Oconomowoc Country Club, Oconomowoc, Wis.

June 17-20, 1961 (California)
California Group of Investment Bankers Association annual conference at Santa Barbara, Calif.

June 22-25, 1961 (Canada)
Investment Dealers Association of Canada annual meeting at Jasper Park Lodge, Jasper, Alta.

June 23, 1961 (Boston)
Women's Municipal Bond Club annual outing at the New Ocean House, Swampscott, Mass.

June 23, 1961 (New York City)
Municipal Bond Women's Club outing at Morris County Golf Club, Convent Station, N. J.

June 24, 1961 (Chicago, Ill.)
Security Traders Association of Chicago annual summer outing at Nordic Hills Country Club.

June 30, 1961 (New York City)
Syndicate annual outing at Nassau Country Club, L. I., N. Y.

Sept. 8, 1961 (Cleveland, Ohio)
Northern Ohio Group of Investment Bankers Association meeting.

Sept. 13, 1961 (Denver, Colo.)
Rocky Mountain Group Investment Bankers Association meeting.